



Financial Statements

For the fiscal year ended March 31, 2024

Independent auditor's report

To the Board of Trustees of
Calgary Health Foundation

Opinion

We have audited the accompanying financial statements of **Calgary Health Foundation** [the "Foundation"], which comprise the statement of financial position as at March 31, 2024, and the statement of operations and changes in fund balances, statement of accumulated remeasurement gains and losses, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with Canadian public-sector accounting standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Canada
May 29, 2024

Ernst & Young LLP

Chartered Professional Accountants

Statement of Financial Position

March 31,	2024	2023
ASSETS		
Cash (note 3)	\$ 85,755,285	\$ 85,016,128
Accounts receivable and accrued receivables (note 4)	5,758,119	481,661
Deposits and prepaid expenses (note 5)	1,659,480	1,507,963
Portfolio investments, at market value (note 6)	106,729,608	96,243,340
Other assets	2,156,068	2,280,683
Total Assets	\$ 202,058,560	\$ 185,529,775
LIABILITIES		
Accounts payable and accrued liabilities (note 10)	\$ 2,868,412	\$ 2,511,118
Charitable disbursements payable (note 10)	982,574	747,215
Deferred revenue	16,556,637	14,225,036
Total Liabilities	\$ 20,407,623	\$ 17,483,369
Commitments (note 9)		
FUND BALANCES		
Operating Fund	\$ 22,324,082	\$ 22,160,151
Restricted Fund	118,957,645	111,705,413
Endowment Fund (note 7)	32,766,110	33,634,590
	\$ 174,047,837	\$ 167,500,154
Accumulated remeasurement gains	7,603,100	546,252
Total Liabilities & Fund Balances	\$ 202,058,560	\$ 185,529,775

See accompanying notes.

On behalf of the Board:

Signed "Rob Peabody"
Director

Signed "Rod McKay"
Director

Statement of Operations and Changes in Fund Balances

Year ended March 31,	Operating Fund		Restricted Fund		Endowment Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE								
Donations	\$ 1,878,766	\$ 2,188,723	\$ 5,909,373	\$ 7,622,032	\$ 438,325	\$ 1,904	\$ 8,226,464	\$ 9,812,659
Lotteries	2,827,832	3,276,474	30,595,747	32,138,581	-	-	33,423,579	35,415,055
Events	27,644	17,201	469,380	936,025	-	-	497,024	953,226
	4,734,242	5,482,398	36,974,500	40,696,638	438,325	1,904	42,147,067	46,180,940
Grants - Alberta Health Services (note 10a)	438,384	437,127	-	-	-	-	438,384	437,127
Grants - Other Government	691	14,350	-	-	-	-	691	14,350
Investment income (note 8)	3,229,247	3,657,290	4,604,539	2,627,791	-	104,197	7,833,786	6,389,278
	\$ 8,402,564	\$ 9,591,165	\$ 41,579,039	\$ 43,324,429	\$ 438,325	\$ 106,101	\$ 50,419,928	\$ 53,021,695
EXPENSES								
Operating (note 11)	\$ 8,030,859	\$ 6,038,896	\$ 229,285	\$ 1,708,225	\$ -	\$ -	\$ 8,260,144	\$ 7,747,121
Lotteries	-	-	19,626,104	21,093,661	-	-	19,626,104	21,093,661
Events	-	-	8,277	372,374	-	-	8,277	372,374
	8,030,859	6,038,896	19,863,666	23,174,260	-	-	27,894,525	29,213,156
Excess of revenue over expenses before charitable disbursements	\$ 371,705	\$ 3,552,269	\$ 21,715,373	\$ 20,150,169	\$ 438,325	\$ 106,101	\$ 22,525,403	\$ 23,808,539
CHARITABLE DISBURSEMENTS								
Alberta Health Services (note 10)	\$ -	\$ -	\$ 10,100,684	\$ 11,364,036	\$ -	\$ -	\$ 10,100,684	\$ 11,364,036
University of Calgary	-	-	5,387,616	3,110,741	-	-	5,387,616	3,110,741
Other Organizations	-	-	489,420	854,000	-	-	489,420	854,000
	-	-	15,977,720	15,328,777	-	-	15,977,720	15,328,777
Excess of revenue over expenses and charitable disbursements	\$ 371,705	\$ 3,552,269	\$ 5,737,653	\$ 4,821,392	\$ 438,325	\$ 106,101	\$ 6,547,683	\$ 8,479,762
Fund balances, beginning of year	\$22,160,151	\$ 18,801,008	\$ 111,705,413	\$ 106,883,457	\$ 33,634,590	\$ 33,335,927	\$ 167,500,154	\$ 159,020,392
Inter-fund transfers (note 13)	(207,774)	(193,126)	1,514,579	564	(1,306,805)	192,562	-	-
Fund balances, end of year	\$22,324,082	\$ 22,160,151	\$ 118,957,645	\$ 111,705,413	\$ 32,766,110	\$ 33,634,590	\$ 174,047,837	\$ 167,500,154

See accompanying notes.

Statement of Accumulated Remeasurement Gains and Losses

Year ended March 31,	2024	2023
Accumulated remeasurement gains at beginning of year	\$ 546,252	\$ 4,645,439
Unrealized gains/(losses) attributable to: Portfolio investments	7,622,953	(2,445,895)
Less realized gains reclassified to the Statement of Operations: Portfolio investments	(566,105)	(1,653,292)
Net remeasurement gains/(losses) for the year	7,056,848	(4,099,187)
Accumulated remeasurement gains at end of year	\$ 7,603,100	\$ 546,252

See accompanying notes.

Statement of Cash Flows

Year ended March 31,	2024	2023
OPERATING ACTIVITIES		
Cash received from:		
Operating grants	\$ 10,691	\$ 24,350
Donations	8,214,421	9,768,055
Events and lotteries	30,974,462	33,266,537
	39,199,574	43,058,942
Cash paid for:		
Operating expenses	\$ (7,618,664)	\$ (6,151,029)
Events and lotteries	(19,508,482)	(21,297,239)
Charitable disbursements	(15,737,638)	(17,158,609)
	(42,864,784)	(44,606,877)
Cash used in operating activities	\$ (3,665,210)	\$ (1,547,935)
INVESTING ACTIVITIES		
Investment income	\$ 7,833,786	\$ 6,389,278
Investments purchased, net	(3,429,419)	(3,840,307)
Cash provided by investing activities	\$ 4,404,367	\$ 2,548,971
Net increase in cash	\$ 739,157	\$ 1,001,036
Cash beginning of year	85,016,128	84,015,092
Cash end of year	\$ 85,755,285	\$ 85,016,128

See accompanying notes.

Notes to Financial Statements

1. NATURE OF ORGANIZATION

Calgary Health Foundation (CHF) is a not-for-profit organization and a registered charity established under the *Income Tax Act (Canada)*. It is a controlled entity of Alberta Health Services and subject to the provisions of the *Regional Health Authorities Act Foundations Regulation*.

The primary purpose of CHF is to coordinate fundraising efforts for the benefit of health programs and other health initiatives within the Calgary area. CHF also invests and manages designated endowment funds.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Canadian Public Sector Accounting Standards (PSAS), which sets out generally accepted accounting principles for government not-for-profit organizations in Canada. CHF has chosen to use the standards for government not-for-profit organizations that include PSAS 4200 to 4270. The financial statements have been prepared based on the significant accounting policies summarized below:

a. Fund Accounting

For financial reporting purposes, the accounts of CHF have been classified into the following funds:

i. Operating Fund

The Operating Fund accounts for the operating activities of CHF.

ii. Restricted Fund

The Restricted Fund accounts for donations and grants that are donor-designated for specified programs, sites and organizations. All funds held in the Restricted Fund are available to be disbursed for the designated charitable purpose.

iii. Endowment Fund

The Endowment Fund accounts for donations and investment income that are to be held permanently by CHF as directed by donors or the Board of Trustees.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Cash

Cash includes cash on hand. Cash held for investing activities by fund managers is included in investments.

c. Financial Instruments

Investments have been categorized as fair value and are recorded at market value. CHF's investments are professionally managed in accordance with CHF's investment policies.

Transaction costs are recognized in the Statement of Operations in the period during which they are incurred.

Other financial instruments, including accounts receivable, accounts payable and accrued liabilities, and charitable disbursements payable are initially recorded at fair value and are subsequently measured at cost, net of any provisions for impairment.

CHF measures the fair market value of its financial assets based on their classification in a hierarchy comprising three levels, described as follows:

i. Level 1

Valuations are based on quoted prices (unadjusted) in active markets for identical assets.

ii. Level 2

Valuations are based on directly or indirectly observable inputs in active markets for similar assets, other than Level 1 prices, such as quoted interest or currency exchange rates.

iii. Level 3

Valuations are based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Other Assets

Other assets consist of costs related to future lotteries and fundraising events. These costs are expensed in the fiscal year in which the lottery or fundraising event concludes.

Other assets also consist of the cash surrender value of life insurance policies of which the annual premiums are paid by donors. As the realizable amount of such policies in excess of the cash surrender value is not certain, CHF records the benefits in excess of the cash surrender value when the proceeds are known.

e. Deferred Revenue

Revenue related to lotteries for which prize draws take place after the year-end and events that will take place subsequent to the year-end are deferred. Deferred revenue will be recognized when the events and lotteries conclude.

f. Revenue Recognition

CHF follows the restricted fund method of accounting for contributions. Grants, bequests, and other donations are recorded when received or receivable, if the amounts to be received can be reasonably estimated and collection is reasonably assured. Pledged donations are recorded in the year received, since pledges are not legally enforceable claims. Externally restricted contributions, except endowment contributions, are recognized as revenue of the Restricted Fund when received. Unrestricted contributions are recognized as revenue of the Operating Fund when received. Externally restricted endowment contributions are recognized as revenue of the Endowment Fund when received.

Investment income includes dividend and interest income, income distributions from pooled funds and realized gains or losses arising from the sale of investments. Unrealized gains and losses on investments are recognized in the Statement of Accumulated Remeasurement Gains and Losses until the related investments are sold. Once realized, these gains or losses are recognized in the Statement of Operations. Amounts that are available for disbursement allocation are recognized as revenue of the Restricted Fund. Investment income that has been reinvested is recognized as revenue of the Endowment Fund. Unrestricted investment income earned on Endowment Fund, Restricted Fund and Operating Fund resources is recognized as revenue of the Operating Fund.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Contributed Materials and Services

Volunteers contribute a significant amount of time each year to assist CHF in carrying out its activities; however, the value of volunteer time is not recognized in these financial statements because the fair market value cannot be reasonably determined. Donated supplies and gifts-in-kind are valued based on fair market value when it is reasonably determinable.

h. Adoption of New Accounting Standards

The following accounting standards came into effect on April 1, 2023: PS 3400 *Revenue*, PSG-8 *Purchased Intangibles*, and PS 3160 *Public Private Partnerships*. The adoption of these standards had no impact on CHF's financial statements.

i. Future Accounting Standard Changes

The Conceptual Framework for Financial Reporting in the Public Sector and PS 1202 *Financial Statement Presentation* will become effective April 1, 2026. CHF is currently assessing the impact of these standards on the financial statements.

3. CASH

March 31,	2024	2023
Operating Fund	\$ 6,070,914	\$ 7,830,531
Restricted Fund	79,241,787	77,181,338
Endowment Fund	442,584	4,259
	\$ 85,755,285	\$ 85,016,128

Cash held in the Restricted Fund includes lottery proceeds from previous lotteries, lottery ticket sales from the current Foothills Hospital Home Lottery and funds awaiting disbursement.

The amount of cash associated with lotteries in progress is \$13.7 million (2023 - \$11.3 million). In addition, CHF holds \$4.1 million (2023 - \$10.1 million) in high interest (2024 - 5.3%; 2023 - 3.4%) accounts pending investment for the Operating and Restricted Funds, in accordance with CHF's investment policies.

4. ACCOUNTS RECEIVABLE AND ACCRUED RECEIVABLES

March 31,	2024	2023
Events and lotteries	\$ 206,506	\$ 262,264
GST	203,336	219,397
Other	5,348,277	-
	\$ 5,758,119	\$ 481,661

Other includes amounts receivable from Alberta Health Services for prior year disbursements.

5. DEPOSITS AND PREPAID EXPENSES

March 31,	2024	2023
Lottery prizes and expenses	\$ 1,192,513	\$ 1,156,713
Prepaid contracts	466,967	351,250
	\$ 1,659,480	\$ 1,507,963

6. FINANCIAL INSTRUMENTS

Market value as at March 31,	2024	2023
Level 1		
Cash & cash equivalents	\$ 5,672,464	\$ 7,840,235
Bonds & other fixed income instruments	44,431,835	42,534,356
Canadian equity	37,051,334	30,273,559
Global equity	19,573,975	15,595,190
Total portfolio investments	\$ 106,729,608	\$ 96,243,340

There were no transfers of assets between Level 1, Level 2 and Level 3 for the years ended March 31, 2024 or 2023.

During 2024, mid-term and long-term investment returns were 8.6% (2023 - negative 2.0 %) and 11.5% (2023 - 1.0%), respectively.

6. FINANCIAL INSTRUMENTS (CONTINUED)

During the year, donations of securities received by CHF were liquidated and the net proceeds were disbursed for charitable purposes or reinvested in professionally managed pooled funds or exchange traded funds.

Foreign securities are translated into Canadian dollars at the exchange rate in effect on the last day of the fiscal year.

Foreign currency risk

CHF is exposed to foreign currency risk from possible negative fluctuations in foreign currency rates related to investments in foreign securities.

Interest rate risk

CHF is exposed to interest rate risk from holding securities with a fixed rate of interest and a specified maturity date.

Credit risk

CHF is exposed to credit risk in connection with its short-term and fixed income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. Additionally, there is exposure to credit risk with the housing deposits for lotteries if the builders do not complete the houses as contracted.

Liquidity risk

CHF is exposed to liquidity risk in that it could encounter difficulty in meeting obligations associated with its financial liabilities.

Other price risk

CHF is exposed to other price risk through changes in market prices, other than changes arising from interest rate risk or foreign currency risks, in connection with its investments in equity securities and pooled funds.

Foreign currency, credit risk and interest rate risk are managed in accordance with CHF's investment policies and through the use of professional portfolio managers whose performance is reviewed regularly. Liquidity risk is managed by maintaining significant cash balances in excess of current obligations. Other price risk is managed by investing in funds professionally managed with significant diversification.

7. ENDOWMENTS

Endowment net assets represent resources that are required by the donor or the Board of Trustees to be maintained by CHF on a permanent basis. Endowment net assets consist of the following:

March 31,	2024	2023
Externally restricted	\$ 23,669,132	\$ 24,531,858
Internally restricted by the Board of Trustees	9,096,978	9,102,732
Balance, end of year, before accumulated remeasurement gains	32,766,110	33,634,590
Accumulated remeasurement gains/(losses)	2,915,010	(92,900)
Balance, end of year	\$ 35,681,120	\$ 33,541,690

CHF has a policy designed to protect the real value of endowments by limiting the amount of investment income made available for spending in the following year to the lower of the investment income earned or 5% of the ending endowment balance as at March 31. Endowment Funds incur a 1% administration fee on the portfolio investment fund balance related to endowments, which is recorded in the Operating Fund. The balance remaining is reinvested, as are any funds not disbursed within the time frame allocated for spending. Reinvested investment income is recorded in the Endowment Fund.

In fiscal 2024, investment income on externally restricted endowment net assets was \$840,387 (2023 - \$774,085) and was recorded as revenue in the Statement of Operations. The amount of \$581,610 (2023 - \$431,487) was made available for spending and recorded in the Restricted Fund and no amount (2023 - \$104,197) was reinvested into the Endowment Fund (*note 8*).

In fiscal 2024, investment income on internally restricted endowment net assets was \$312,514 (2023 - \$285,951) and was recorded as revenue in the Statement of Operations. The amount of \$207,774 was inter-fund transferred (2023 - \$93,063) to the Restricted Fund, representing the investment income made available for spending, and no amount was inter-fund transferred to the Endowment Fund (2023 - \$100,063) representing the amount reinvested (*note 8*).

8. INVESTMENT INCOME ALLOCATION

Investment Income Allocation for the year ended 2024						
	Investment Income ¹	Internally Restricted Endowments	Restricted Income Allocation ²	Restricted Disbursement Allocation	Administration Fees	Total
Operating Fund	\$ 722,788	\$ 207,774	\$ 1,901,756	\$ -	\$ 396,929	\$ 3,229,247
Restricted Fund	5,958,097	-	(1,901,756)	581,610	(33,412)	4,604,539
Endowment Fund (note 7)	1,152,901	(207,774)	-	(581,610)	(363,517)	-
	\$ 7,833,786	\$ -	\$ -	\$ -	\$ -	\$ 7,833,786

Investment Income Allocation for the year ended 2023						
	Investment Income ¹	Internally Restricted Endowments	Restricted Income Allocation ²	Restricted Disbursement Allocation	Administration Fees	Total
Operating Fund	\$ 480,891	\$ 193,126	\$ 2,608,708	\$ -	\$ 374,565	\$ 3,657,290
Restricted Fund	4,848,351	-	(2,608,708)	431,487	(43,339)	2,627,791
Endowment Fund (note 7)	1,060,036	(193,126)	-	(431,487)	(331,226)	104,197
	\$ 6,389,278	\$ -	\$ -	\$ -	\$ -	\$ 6,389,278

¹ Investment income in the year consists of interest and dividends of \$2,738,418 (2023 - \$2,153,005) and realized gains of \$566,105 (2023 - \$1,653,292) that were earned on the portfolio investments and \$4,529,263 (2023 - \$2,582,981) of interest earned on cash.

² Investment income earned on restricted investments that do not have an investment income allocation agreement is recognized in the Operating Fund.

Year ended March 31,	2024	2023
Realized investment income	\$ 7,833,786	\$ 6,389,278
Unrealized investment income/(loss)	7,056,840	(4,099,187)
Total investment income	\$ 14,890,626	\$ 2,290,091

9. COMMITMENTS

As at March 31, 2024	Total	1 year and less	2 years	3 years	4 years	5 years and thereafter
Funding commitments ¹	\$71,131,544	\$ 15,375,533	\$ 7,517,108	\$ 3,509,723	\$ 11,483,091	\$ 33,246,089
Lottery prizes ²	20,022,812	10,300,012	7,635,400	2,087,400	-	-
Total commitments	\$91,154,356	\$ 25,675,545	\$ 15,152,508	\$ 5,597,123	\$ 11,483,091	\$ 33,246,089

¹ Funding commitments include approved projects with either a signed Funding Agreement or signed Memorandum of Understanding as at March 31, 2024.

² Includes commitments for all prizes for the ongoing 2024 Foothills Hospital Home Lottery as well as housing prizes for future lotteries.

10. RELATED PARTY TRANSACTIONS

The following amounts related to Alberta Health Services are included in the accompanying financial statements. As at March 31, 2024, there are accrued receivables from Alberta Health Services of \$5,348,277 (2023 - nil) and accounts payable and accrued liabilities and charitable disbursements payable to Alberta Health Services totalling \$1,374,431 and \$892,277 (2023 - \$1,013,068 and \$678,565), respectively.

Year ended March 31,	2024		2023	
Grants received from Alberta Health Services for operating expenses				
Cash - operating costs	\$	10,000	\$	10,000
Gifts in kind - rent		428,384		427,127
	\$	438,384	\$	437,127
Charitable disbursements to Alberta Health Services				
Cash	\$	10,095,961	\$	11,323,621
Gifts in kind		4,723		40,415
	\$	10,100,684	\$	11,364,036

11. OPERATING EXPENSES

Year ended March 31,	Operating	Restricted	2024	2023
Fundraising and donor stewardship	\$ 5,468,055	\$ 221,595	\$ 5,689,650	\$ 5,228,815
Organizational and volunteer support	1,444,788	-	1,444,788	821,023
Marketing and communications	789,029	-	789,029	1,330,783
Investment management and custodial fees	328,987	7,690	336,677	366,500
	\$ 8,030,859	\$ 229,285	\$ 8,260,144	\$ 7,747,121

12. FUNDRAISING EXPENSES

Section 7(2) of the Charitable Fundraising Act Regulation of Alberta requires CHF to disclose the expenses incurred for the purposes of soliciting donations. In fiscal 2024, these costs were \$2.3 million (2023 - \$3.1 million), which includes \$1.4 million (2023 - \$1.4 million) incurred in respect of CHF employees whose principal duty is fundraising. These costs are recognized as part of CHF's operating costs.

13. INTER-FUND TRANSFERS

Inter-fund transfers consist of reallocations requested by the contributors and approved by the Board in accordance with the approved policy. These transfers include allocations to the Endowment Fund from Restricted Funds for donors advising as to how funds are to be reinvested and from the Operating Fund for internally restricted reinvestments into the Endowment Fund.