

ALBERTA CANCER FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2015

Statement of Financial Position	1
Statement of Operations.....	2
Statement of Changes in Fund Balances.....	3
Statement of Remeasurement Gains and Losses	4
Statement of Cash Flows	5
Notes to Financial Statements.....	6



KPMG LLP
Chartered Accountants
10125 – 102 Street
Edmonton AB T5J 3V8
Canada

Telephone (780) 429-7300
Fax (780) 429-7379
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To The Trustees of the Alberta Cancer Foundation

We have audited the accompanying financial statements of Alberta Cancer Foundation, which comprise the statement of financial position as at March 31, 2015, the statements of operations, changes in fund balances, remeasurement gains and losses and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Cancer Foundation as at March 31, 2015, and its results of operations, changes in fund balances, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slanted style. Below the signature is a long, horizontal, slightly curved line that extends to the right.

Chartered Accountants

May 29, 2015
Edmonton, Canada

ALBERTA CANCER FOUNDATION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015

	Unrestricted Fund	Restricted Fund	Endowment Fund	Capital Asset Fund	2015 Total	2014 Total
<u>ASSETS</u>						
Current assets:						
Cash and cash equivalents (note 3)	\$ 2,998,971	\$ 3,743,276	\$ -	\$ -	\$ 6,742,247	\$ 8,922,996
Accounts receivable and prepaid expenses	374,029	582,740	-	-	956,769	1,065,214
Pledges receivable (note 4)	-	1,682,141	2,644	-	1,684,785	1,491,250
	<u>3,373,000</u>	<u>6,008,157</u>	<u>2,644</u>	<u>-</u>	<u>9,383,801</u>	<u>11,479,460</u>
Investments (note 5)	-	81,770,236	67,435,313	-	\$ 149,205,549	126,436,585
Capital assets (note 6)	-	-	-	711,994	711,994	727,889
Other assets	63,358	-	-	-	63,358	63,358
Total Assets	<u>\$ 3,436,358</u>	<u>\$ 87,778,393</u>	<u>\$ 67,437,957</u>	<u>\$ 711,994</u>	<u>\$ 159,364,702</u>	<u>\$ 138,707,292</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 984,036	\$ 726,327	\$ -	\$ -	\$ 1,710,363	\$ 991,396
Deferred revenues	469,337	-	-	-	469,337	91,286
Lease inducement	8,244	-	-	-	8,244	8,244
Due to Alberta Health Services	498,821	803,386	-	-	1,302,207	1,658,646
	<u>1,960,438</u>	<u>1,529,713</u>	<u>-</u>	<u>-</u>	<u>3,490,151</u>	<u>2,749,572</u>
Lease inducement	2,748	-	-	-	2,748	10,993
	<u>1,963,186</u>	<u>1,529,713</u>	<u>-</u>	<u>-</u>	<u>3,492,899</u>	<u>2,760,565</u>
Fund balances:						
Unrestricted Fund	1,473,172	-	-	-	1,473,172	1,210,892
Restricted Fund (note 7)	-	53,302,813	-	-	53,302,813	43,684,936
Endowment Fund (note 8)	-	-	67,437,957	-	67,437,957	65,601,558
Capital Asset Fund	-	-	-	711,994	711,994	727,889
Total Fund balances	<u>1,473,172</u>	<u>53,302,813</u>	<u>67,437,957</u>	<u>711,994</u>	<u>122,925,936</u>	<u>111,225,275</u>
Accumulated remeasurement gains	-	32,945,867	-	-	32,945,867	24,721,452
	<u>1,473,172</u>	<u>86,248,680</u>	<u>67,437,957</u>	<u>711,994</u>	<u>155,871,803</u>	<u>135,946,727</u>
Total Liabilities and Fund Balances	<u>\$ 3,436,358</u>	<u>\$ 87,778,393</u>	<u>\$ 67,437,957</u>	<u>\$ 711,994</u>	<u>\$ 159,364,702</u>	<u>\$ 138,707,292</u>
Commitments (note 14)						

The accompanying notes are part of these financial statements.

Approved by the Trustees

[Original signed by]

Angela Boehm
Chair, Alberta Cancer Foundation

[Original signed by]

John McDonald
Chair, ACF Audit & Finance Committee

ALBERTA CANCER FOUNDATION
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2015

	2015				2014	
	<u>Unrestricted</u>	<u>Restricted Fund</u>	<u>Endowment Fund</u>	<u>Capital Asset</u>	<u>Total</u>	<u>Total</u>
	<u>Fund</u>			<u>Fund</u>		
Revenues						
Fundraising	\$ 3,757,897	\$ 16,811,769	\$ 1,582,859	\$ -	\$ 22,152,525	\$ 19,560,348
Challenge events	-	8,987,866	-	-	8,987,866	8,753,832
Lottery (note 9)	4,937,091	-	-	-	4,937,091	5,188,912
Grants (note 10)	-	75,000	-	-	75,000	69,458
Returned disbursements (note 10)	-	1,600,935	-	-	1,600,935	1,261,118
Investment and other income (note 11)	6,499,884	6,750,560	-	-	13,250,444	11,544,739
Total revenues	<u>15,194,872</u>	<u>34,226,130</u>	<u>1,582,859</u>	<u>-</u>	<u>51,003,861</u>	<u>46,378,407</u>
Program investments and expenditures						
Program investments during the year (note 12)	1,604,233	16,947,035	-	-	18,551,268	20,842,681
Direct fundraising and event management	1,916,532	4,759,922	-	-	6,676,454	6,905,046
Lottery (note 9)	4,270,744	-	-	-	4,270,744	4,259,675
Administrative and fundraising	8,405,886	1,247,342	-	151,506	9,804,734	8,272,917
Total program investments and expenditures	<u>16,197,395</u>	<u>22,954,299</u>	<u>-</u>	<u>151,506</u>	<u>39,303,200</u>	<u>40,280,319</u>
Excess (deficiency) of revenues over program investments and expenditures	<u>\$ (1,002,523)</u>	<u>\$ 11,271,831</u>	<u>\$ 1,582,859</u>	<u>\$ (151,506)</u>	<u>\$ 11,700,661</u>	<u>\$ 6,098,088</u>

The accompanying notes are part of these financial statements.

ALBERTA CANCER FOUNDATION
STATEMENT OF CHANGES IN FUND BALANCES
MARCH 31, 2015

	2015				
	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Endowment Fund</u>	<u>Capital Asset Fund</u>	<u>Total</u>
Fund balances, beginning of year	\$ 1,210,892	\$ 43,684,936	\$ 65,601,558	\$ 727,889	\$ 111,225,275
Excess (deficiency) of revenues over disbursements and expenditures	(1,002,523)	11,271,831	1,582,859	(151,506)	11,700,661
Interfund transfers					
Transfers	1,400,414	(1,653,954)	253,540	-	-
Purchases of capital assets	(135,611)	-	-	135,611	-
Fund balances, end of year	<u>\$ 1,473,172</u>	<u>\$ 53,302,813</u>	<u>\$ 67,437,957</u>	<u>\$ 711,994</u>	<u>\$ 122,925,936</u>

	2014				
	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Endowment Fund</u>	<u>Capital Asset Fund</u>	<u>Total</u>
Fund balances, beginning of year	\$ 745,475	\$ 39,593,388	\$ 64,332,367	\$ 455,957	\$ 105,127,187
Excess (deficiency) of revenues over disbursements and expenditures	(59,602)	5,517,171	768,191	(127,672)	6,098,088
Interfund transfers					
Transfers	924,623	(1,425,623)	501,000	-	-
Purchases of capital assets	(399,604)	-	-	399,604	-
Fund balances, end of year	<u>\$ 1,210,892</u>	<u>\$ 43,684,936</u>	<u>\$ 65,601,558</u>	<u>\$ 727,889</u>	<u>\$ 111,225,275</u>

ALBERTA CANCER FOUNDATION
STATEMENT OF REMEASUREMENT GAINS AND LOSSES
YEAR ENDED MARCH 31, 2015

	2015				2014	
	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Endowment Fund</u>	<u>Capital Asset Fund</u>	<u>Total</u>	<u>Total</u>
Accumulated remeasurement gains, beginning of year	-	\$ 24,721,452	\$ -	-	24,721,452	14,403,840
Unrealized gains attributable to:						
Equity instruments	-	12,766,518	-	-	12,766,518	18,160,782
Designated fair value investments	-	2,879,691	-	-	2,879,691	(287,386)
	-	15,646,209	-	-	15,646,209	17,873,396
Realized (gains)						
Equity instruments	-	(7,421,794)	-	-	(7,421,794)	(7,554,486)
Designated fair value investments	-	-	-	-	-	(1,298)
	-	(7,421,794)	-	-	(7,421,794)	(7,555,784)
Net remeasurement gains for the year	-	8,224,415	-	-	8,224,415	10,317,612
Accumulated remeasurement gains, end of year	\$ -	\$ 32,945,867	\$ -	\$ -	\$ 32,945,867	\$ 24,721,452

**ALBERTA CANCER FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2015**

	2015	2014
Cash generated from (used by):		
Operating activities:		
Excess of revenues over disbursements and expenditures	\$ 11,700,661	\$ 6,098,088
Items not involving cash:		
Realized gains on disposal of investments	(9,129,402)	(8,472,731)
Donated shares	(1,465,616)	(816,180)
Amortization of capital assets	131,232	127,672
Loss on writeoff of capital assets	20,274	-
Amortization of lease inducement	(8,245)	(8,244)
Change in non-cash operating working capital accounts:		
Accounts receivable and prepaid expenses	108,445	(74,688)
Pledges receivable	(193,535)	307,796
Accounts payable and accrued liabilities	718,967	(197,319)
Deferred revenues	378,051	5,380
Due to Alberta Health Services	(356,439)	492,130
Cash generated from (used by) operating activities	1,904,393	(2,538,096)
Investing and financing activities:		
Increase in investments:		
Purchase of investments	(50,699,482)	(48,108,271)
Proceeds on sale of investments	46,749,951	50,279,819
	(3,949,531)	2,171,548
Purchase of capital assets	(135,611)	(399,604)
Cash (used by) generated from investing and financing activities	(4,085,142)	1,771,944
Decrease in cash and cash equivalents	(2,180,749)	(766,152)
Cash and cash equivalents, beginning of year	8,922,996	9,689,148
Cash and cash equivalents, end of year	\$ 6,742,247	\$ 8,922,996

The accompanying notes are part of these financial statements.

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 1 Authority and purpose

The Alberta Cancer Foundation (the “Foundation”) operates under the authority of the Regional Health Authorities Act, Section 23(1)(n), the Alberta Cancer Foundation Regulation 70/2009, is subject to the requirements of the Charitable Fundraising Act and is registered with Canada Revenue Agency (CRA) as a charitable foundation.

The Foundation receives donations, raises funds and provides funding for cancer research, the prevention, detection and diagnosis of cancer, and for the treatment and care of cancer patients. The Foundation has a provincial office located in Edmonton and offices at the Cross Cancer Institute in Edmonton, Tom Baker Cancer Centre and the Foothills Professional Building in Calgary.

Note 2 Summary of significant accounting policies and reporting practices

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations. The Foundation follows the restricted fund method of accounting for contributions. The following are the significant accounting policies:

(a) Fund accounting:

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

(i) Unrestricted:

The Unrestricted Fund includes resources available for immediate purposes and accounts for the Foundation’s general fundraising and administrative activities.

(ii) Restricted:

The Restricted Fund includes those funds whose resources are to be used for an identified purpose as specified by the donor, by fundraising initiatives or as determined by the Board of Trustees (the “Trustees”).

The Restricted Fund includes the activities related to the Capital Campaign which was a project undertaken by the Government of Alberta and Alberta Health Services. At March 31, 2015 the Government of Alberta has delayed this project.

(iii) Endowment:

The Endowment Fund includes those funds where either the donor or internal restrictions require that the principal investment be maintained by the Foundation on a permanent basis.

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 2 Summary of significant accounting policies and reporting practices, continued

(iv) Capital Asset:

The Capital Asset Fund reports the assets, liabilities, revenue and expenses related to the Foundation's capital assets.

(b) Revenue recognition:

(i) Unrestricted contributions are recognized as revenue in the Unrestricted Fund in the year received or upon becoming receivable.

(ii) Externally restricted contributions are recognized as revenue in the Restricted Fund when received or receivable. Externally restricted contributions can only be used for the purposes designated by external parties. Any externally restricted contributions containing stipulations that the principal amounts not be expended are recorded as revenues in the Endowment Fund.

(iii) Contributions for endowments are recognized as revenue in the Endowment Fund in the year received or upon becoming receivable.

(iv) Investment income earned on Endowment Fund resources that must be spent on restricted purposes is recognized as revenue in the Restricted Fund. Other investment income is recognized as revenue in the Unrestricted Fund when earned.

(v) Donations and contributions in kind are recorded at fair value at the date of the contribution when such value can reasonably be determined. Volunteers contribute a significant amount of time each year to assist the Foundation in carrying out its programs and services. Because of the difficulty of determining their fair value, contributed services of volunteers are not recognized in these financial statements.

(c) Pledges:

Pledges receivable are recognized as an asset when the amount to be received can be reasonably estimated and when collection is reasonably assured.

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 2 Summary of significant accounting policies and reporting practices, continued

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the useful lives of the assets as follows:

Leasehold Improvements	over the initial lease term
Furniture and Equipment	3 and 10 years

Amortization expense is reported in the Capital Asset Fund.

(e) Lease inducement:

Lease inducements are initially recorded at the amount received. Subsequent to initial recognition, the Foundation accounts for the inducement as a reduction of lease expense over the term of the lease.

(f) Financial instruments:

All financial instruments held by the Foundation are initially recognized on the statement of financial position at their fair value. Subsequent to their initial recognition, all financial instruments continue to be measured at their fair value except for accounts receivable, pledges receivable and other financial liabilities which are recorded at amortized cost using the effective interest method. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed when incurred. All other financial instruments are adjusted by transaction costs on acquisition.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized amount is adjusted through the statement of remeasurement gains and losses.

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 2 Summary of significant accounting policies and reporting practices, continued

(f) Financial instruments, continued:

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

Canadian Public Sector Accounting Standards require an organization to classify fair value measurements using a hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborative inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

(g) Foreign currency:

Foreign currency transactions are recorded at the exchange rate at the time of the transaction.

(h) Disbursement expenses:

Operating disbursements are provided annually for the funding of research, infrastructure, special equipment, psychosocial care, palliative care, and patient education and comfort. Operating and research disbursements are recognized as expenses when the funds are disbursed by the Foundation.

(i) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ from those estimates. The more significant items subject to estimates in these financial statements are valuation of pledges receivable, amortization period of capital assets, valuation of investments and completeness of accrued liabilities.

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 2 Summary of significant accounting policies and reporting practices, continued

(j) Employee future benefits:

The Foundation participates in the Local Authorities Pension Plan (“LAPP”). This multi-employer defined benefit pension plan provides pensions for participating employees based on years of service and earnings. Defined contribution plan accounting is applied where the Foundation has insufficient information to apply defined benefit plan accounting.

Pension costs comprise the employer’s contributions for its employees during the year, based on rates expected to provide benefits payable under the applicable pension plan. The Foundation does not record its portion of LAPP’s deficit or surplus.

Note 3 Cash and cash equivalents

	2015	2014
Cash	\$ 4,600,909	\$ 6,806,827
CCITF Account	2,141,338	2,116,169
	\$ 6,742,247	\$ 8,922,996

The Consolidated Cash Investment Trust Fund (“CCITF”) of the Province of Alberta is a demand account managed with the objective of providing competitive interest income to depositors while maintaining security and liquidity of depositors’ capital. Interest is earned on the daily cash balance and the average rate of earnings of the CCITF varies depending on prevailing market interest rates. The rate of return for the year was 1.18% (2014 – 1.19%).

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 4 Pledges receivable and donor commitments

Pledges receivable are comprised of the following:

2015				2014
<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowments</u>	<u>Total</u>	<u>Total</u>
\$ -	\$ 1,682,141	\$ 2,644	\$ 1,684,785	\$ 1,491,250

The following are future commitments made by donors for programs which have not been recognized in the financial statements:

Clinical trials	\$ 2,124,300
Research fellowships	1,135,000
Calgary cancer centre capital campaign	954,333
Patient financial assistance	430,000
Research	386,000
Research studentships	52,500
Building Excellence	15,200
	\$ 5,097,333

The Foundation has gift/pledge agreements from individual or corporate donors who have committed to donate in the future to support the specified programs above. The Foundation regularly (at least annually) consults with donors to either receive their pledged gift or reaffirm their intent to fulfill their future commitment. The Foundation records future commitments expected within the next fiscal year as revenue once there is reasonable assurance that the donor will fulfill their commitment.

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 5 Investments

	2015		2014	
	Fair Value	Cost	Fair Value	Cost
Cash	\$ 99,926	\$ 99,926	\$ 114,007	\$ 114,007
Accrued interest receivable	40,983	40,983	47,837	47,837
Level 1 Equity Instruments				
Canadian common shares and pooled equity funds	25,111,163	14,243,744	25,818,161	15,010,152
Pooled equity funds-US	31,247,923	19,588,496	25,645,158	19,712,474
Global pooled equity funds	34,751,700	26,814,874	30,245,073	21,866,819
Level 2 Designated Fair Value Instruments				
Pooled fixed income funds	52,763,960	50,281,765	40,980,928	41,378,423
Treasury bills and guaranteed investment certificates	5,189,894	5,189,894	3,585,421	3,585,421
	\$ 149,205,549	\$ 116,259,682	\$ 126,436,585	\$ 101,715,133

The Foundation is subject to currency risk, interest rate risk and price risk with respect to its investments. To manage these risks, the Foundation has established a target mix of investment types designated to achieve the optimum return with reasonable risk tolerance.

In order to earn optimal financial returns at an acceptable level of risk, the Foundation has established an asset mix policy of 30% to 60% for fixed income instruments, 0% to 10% for treasury bills and guaranteed investment certificates and 30% to 70% for equity instruments. Risk is reduced through asset class diversification, diversification within each asset class and quality constraints.

Treasury bills and guaranteed investment certificates, bonds and debentures are managed with the objective of providing optimal returns while maintaining maximum security of capital. Bonds represent high quality fixed income securities. Risk is reduced by limiting investments to instruments with an overall rating of A or higher by the Dominion Bond Rating Service (or an equivalent service) with no more than 10% rated "BBB".

Common stocks comprise equities publicly traded in the Canadian and foreign markets. Risk is reduced by limiting exposure to any one stock to 10% of the total market value of Canadian and foreign common shares in the Foundation's portfolio.

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 5 Investments, continued

It is anticipated that the Foundation's revenues will be sufficient to meet the Foundation's expenditures on an on-going basis and that the investment portfolio will continue to grow. It is intended that the proceeds of investments maturing within one year will be reinvested.

Investments are allocated to the following funds:

	2015	2014
Restricted	\$ 81,770,236	\$ 61,470,027
Endowments	67,435,313	64,966,558
	\$ 149,205,549	\$ 126,436,585

Note 6 Capital Assets

	2015		
	Cost	Accumulated amortization	Net book value
Leasehold improvements	\$ 220,509	\$ 123,392	\$ 97,117
Furniture and equipment	1,044,152	429,275	614,877
Total Capital Assets	\$ 1,264,661	\$ 552,667	\$ 711,994

The administrative expenses of the Capital Asset Fund include amortization of \$131,232 (2014 - \$127,672) and a loss on the disposal of capital assets of \$20,274 (2014 - nil).

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 6 Capital Assets, continued

	2014		
	Cost	Accumulated amortization	Net book value
Leasehold improvements	\$ 220,509	\$ 84,951	\$ 135,558
Furniture and equipment	976,925	384,594	592,331
Total Capital Assets	\$ 1,197,434	\$ 469,545	\$ 727,889

Note 7 Restricted Fund

The Restricted Fund consists of various restricted funds available for spending that are restricted by donors for the purpose of cancer research, prevention and screening initiatives, as well as patient care and support, education and equipment. The restricted fund includes investment income earned on the endowment funds held.

	2015	2014
Restricted funds	\$ 38,412,067	\$ 32,690,860
Internally established endowments, expendable portion	7,220,144	5,500,872
Externally established endowments, expendable portion	7,670,602	5,372,907
Total restricted funds	53,302,813	43,564,639
Accumulated rereasurement gains	32,945,867	24,721,452
Total Restricted Fund balance	\$ 86,248,680	\$ 68,286,091

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 8 Endowment Fund

The Endowment Fund consists of externally restricted contributions received by the Foundation where the endowment principal is required to be maintained intact. The Endowment Fund also includes internal resources transferred by the Trustees with the intention that the principal be maintained intact. The investment income generated from assets held for endowment purposes must be used in accordance with the various purposes established by the donors or the Trustees and is included in the Restricted Fund.

	2015	2014
Internally established endowments, principal		
Cancer research	\$ 25,540,679	\$ 25,540,679
Building excellence	250,000	250,000
Patient financial assistance	475,000	475,000
	26,265,679	26,265,679
Externally established endowments, principal		
Cancer research, net of allowance	38,788,693	37,068,204
Building excellence	640,493	548,143
Patient financial assistance	1,027,841	1,027,781
Patient programs and equipment	715,251	691,751
	41,172,278	39,335,879
Total Endowment Fund balance	\$ 67,437,957	\$ 65,601,558
Changes to the Endowment Fund were derived as follows:		
Balance April 1	\$ 65,601,558	\$ 64,332,367
Donations	1,060,109	44,421
Transfers from Restricted Fund	253,540	501,000
Realized Pledges	522,750	923,247
Write offs	-	(199,477)
	1,836,399	1,269,191
Current year changes	1,836,399	1,269,191
Balance March 31	\$ 67,437,957	\$ 65,601,558

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 9 Lottery

The Foundation and the Canadian Cancer Society Alberta/N.W.T. Division (CCS), as equal principals, participated in the fifteenth annual Cash and Cars Lottery during the fiscal year. All revenues and expenses were shared equally. In 2013, the You Win 50 Lottery was introduced as an add on to the Cash and Cars Lottery. The Alberta Cancer Foundation's proportionate share of revenues and expenses are as follows:

	Cash and Cars 2015	You Win 50 2015	Total 2015	Total 2014
Total revenues	\$ 4,161,592	\$ 775,499	\$ 4,937,091	\$ 5,188,912
Expenses:				
Prizes	2,255,241	386,773	2,642,014	2,631,792
Marketing and other	1,460,825	167,905	1,628,730	1,627,883
Total expenses	3,716,066	554,678	4,270,744	4,259,675
Excess revenues over expenses	<u>\$ 445,526</u>	<u>\$ 220,821</u>	<u>\$ 666,347</u>	<u>\$ 929,237</u>

In 2015 the Foundation and CCS agreed to an arrangement whereby the Foundation would acquire the rights to exclusively operate the Lottery in the future.

Note 10 Related party transactions

The Foundation shares a common relationship and is considered to be a related party with the Province of Alberta and those entities consolidated or included on a modified equity basis in the Province of Alberta's financial statements.

Transactions with the following related parties are considered to be in the normal course of operations. Amounts due to or from the related parties and the recorded amounts of the transactions are included within these financial statements, unless otherwise stated.

Transactions with related parties represent operating and research disbursements and are recorded at their exchange amounts as follows:

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 10 Related party transactions, continued

<u>Disbursements to Related Parties</u>	<u>2015</u>	<u>2014</u>
AHS (Cancer Control)	\$ 6,867,125	\$ 6,518,166
University of Calgary	4,672,181	4,184,812
University of Alberta	3,995,000	6,213,765
University of Lethbridge	28,500	37,400
Alberta Innovates Health Solutions	11,745	680,712
Calgary Health Trust	-	45,000
Total disbursements to related parties	<u>\$ 15,574,551</u>	<u>\$ 17,679,855</u>
<u>Unspent Disbursements Returned from Related Parties</u>	<u>2015</u>	<u>2014</u>
AHS (Cancer Control)	\$ 1,021,631	\$ 1,010,167
University of Calgary	442,163	40,253
University of Alberta	124,391	40,442
University of Lethbridge	12,750	-
Total unspent disbursements returned from related parties	<u>\$ 1,600,935</u>	<u>\$ 1,090,862</u>

These funds were disbursed as directed by the Foundation in accordance with donor designation or, where the disbursements were made from unrestricted funds, as directed by the Trustees.

<u>Grants from Related Parties</u>	<u>2015</u>	<u>2014</u>
Alberta Culture and Tourism	\$ 75,000	\$ -
Alberta Community Spirit	\$ -	\$ 25,000
David Thompson Health Trust	\$ -	\$ 44,458
Total grants from related parties	<u>\$ 75,000</u>	<u>\$ 69,458</u>

These funds were disbursed in accordance with the terms of the agreements.

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 11 Investment and other income

Investment and other income earned by the Foundation consists of the following:

	2015	2014
Interest and dividends	\$ 4,013,011	\$ 2,950,828
Realized gains on disposal of investments	9,129,402	8,472,731
Other income	108,031	121,180
	\$ 13,250,444	\$ 11,544,739

Note 12 Program investments during the year

	2015	2014
Research	\$ 13,592,504	\$ 16,005,842
Prevention	410,401	456,720
Enhanced Care	4,548,363	4,380,119
	\$ 18,551,268	\$ 20,842,681

Note 13 Local Authorities Pension Plan (“LAPP”)

The Foundation participates in the LAPP, which is a multi-employer defined benefit plan. Pension expense in these financial statements is equal to the Foundation’s annual contributions payable of \$593,782 (2014 - \$559,528). At December 31, 2014, the LAPP reported a deficiency of \$2,454,636,000 (December 31, 2013 - deficiency \$4,861,516,000).

**ALBERTA CANCER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2015**

Note 14 Commitments

Future minimum lease payments under operating leases relating to office space are as follows:

2016	\$ 322,947
2017	334,763
2018	345,265
2019	327,293
2020 and thereafter	1,180,483

The Foundation is also responsible for its portion of operating costs related to office space.

Note 15 Comparative information

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.