

Financial Statements of

**ALBERTA CANCER
FOUNDATION**

And Independent Auditor's Report thereon

Year ended March 31, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Trustees of the Alberta Cancer Foundation

Opinion

We have audited the financial statements of the Alberta Cancer Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations and changes in fund balances for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and its results of operations, its changes in fund balances, its remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for not-for-profit organizations.

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 auditor’s report.

We are independent of the Entity 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.



Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "2024 Report To Our Community".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

The information, other than the financial statements and auditors' report thereon, included in a document likely to be entitled "2024 Report To Our Community" is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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 for not-for-profit organizations, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Entity to 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Edmonton, Canada

May 22, 2024

ALBERTA CANCER FOUNDATION

Table of Contents

Year ended March 31, 2024

Financial Statements

Statement of Financial Position	1
Statement of Operations and Changes in Fund Balances	2
Statement of Remeasurement Gains and Losses	3
Statement of Cash Flows	4
Notes to Financial Statements	5
Schedule 1: Additional Fund Activities	19

ALBERTA CANCER FOUNDATION


Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 7,711,323	\$ 9,421,235
Accounts receivable and prepaid expenses	4,074,057	1,587,200
Pledges receivable (note 3)	27,117,466	-
Short-term investments (note 4)	81,800,000	45,000,000
	<u>120,702,846</u>	<u>56,008,435</u>
Investments (note 4)	175,710,207	147,321,839
Capital assets (note 5)	715,459	562,347
	<u>\$ 297,128,512</u>	<u>\$ 203,892,621</u>
Liabilities and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 557,172	\$ 647,217
Due to Alberta Health Services (note 9)	687,594	656,715
Deferred revenue and deposits	771,751	332,007
	<u>2,016,517</u>	<u>1,635,939</u>
Fund balances (note 6):		
Unrestricted Fund	1,546,382	-
Externally Restricted Fund	146,011,151	93,388,410
Internally Restricted Fund	45,787,241	42,992,474
Endowment Fund	87,089,734	60,008,407
Capital Asset Fund	715,459	562,347
	<u>281,149,967</u>	<u>196,951,638</u>
Accumulated remeasurement gains	13,962,028	5,305,044
	<u>295,111,995</u>	<u>202,256,682</u>
Future charitable disbursements (note 10)		
Commitments (note 11)		
	<u>\$ 297,128,512</u>	<u>\$ 203,892,621</u>

See accompanying notes to financial statements.

Approved by the Trustees:


Dr. Chris Eagle

Chair, Alberta Cancer Foundation

Trustee



Max Chan
Chair, Audit & Finance Committee

Trustee

ALBERTA CANCER FOUNDATION

Statement of Operations and Changes in Fund Balances

March 31, 2024, with comparative information for 2023

	Unrestricted Fund	Externally Restricted Fund	Internally Restricted Fund	Endowment Fund	Capital Asset Fund	2024	2023
Revenues:							
Donations and contributions	\$ 7,521,553	\$ 21,654,523	\$ -	\$ 191,749	\$ -	\$ 29,367,825	\$ 15,262,144
Campaign donations and contributions	-	51,101,369	-	30,000,000	-	81,101,369	31,712,185
Sponsorships and registrations	320	1,556,277	-	77,000	-	1,633,597	781,090
Lottery (note 7)	-	10,474,479	-	-	-	10,474,479	8,366,674
Grants	-	-	-	-	-	-	75,000
Investment and other income (note 8)	6,115,787	4,404,126	399,113	-	-	10,919,026	(1,898,557)
	13,637,660	89,190,774	399,113	30,268,749	-	133,496,296	54,298,536
Expenditures:							
Charitable disbursements (note 9):							
Core programs	-	7,325,082	-	-	-	7,325,082	7,435,314
Other cancer care and research	229,972	19,705,545	-	301,860	-	20,237,377	19,523,738
	229,972	27,030,627	-	301,860	-	27,562,459	26,959,052
Direct fundraising costs	5,541,389	3,699,975	-	-	13,675	9,255,039	8,786,430
Lottery (note 7)	-	6,871,724	-	-	-	6,871,724	7,400,461
Foundation operations	5,220,246	224,070	91,161	-	73,268	5,608,745	5,214,833
	10,991,607	37,826,396	91,161	301,860	86,943	49,297,967	48,360,776
Excess of revenues over expenditures before transfers	2,646,053	51,364,378	307,952	29,966,889	(86,943)	84,198,329	5,937,760
Interfund transfers	(1,099,671)	1,258,363	2,486,815	(2,885,562)	240,055	-	-
Excess of revenues over expenditures	1,546,382	52,622,741	2,794,767	27,081,327	153,112	84,198,329	5,937,760
Fund balances, beginning of year	-	93,388,410	42,992,474	60,008,407	562,347	196,951,638	191,013,878
Fund balances, end of year	\$ 1,546,382	\$146,011,151	\$ 45,787,241	\$ 87,089,734	\$ 715,459	\$ 281,149,967	\$ 196,951,638

See accompanying notes to financial statements.

ALBERTA CANCER FOUNDATION

Statement of Remeasurement Gains and Losses

March 31, 2024, with comparative information for 2023

	2024		2023	
Accumulated remeasurement gains, beginning of year	\$	5,305,044	\$	5,236,076
Unrealized gains (losses) attributable to investments		10,019,576		(3,271,337)
Realized gains (losses) reclassified to the statement of operations (note 8)		(1,362,592)		3,340,305
Accumulated remeasurement gains, end of year	\$	13,962,028	\$	5,305,044

See accompanying notes to financial statements.

ALBERTA CANCER FOUNDATION

Statement of Cash Flows

March 31, 2024, with comparative information for 2023

	2024	2023
Cash generated from (used by):		
Operating activities:		
Excess of revenues over expenditures	\$ 84,198,329	\$ 5,937,760
Items not involving cash:		
Realized (gains) losses on disposal of investments, net	(1,200,159)	8,798,625
Donated investments	(12,812,238)	(2,260,576)
Amortization of capital assets	86,943	81,363
Change in non-cash operating working capital accounts:		
Accounts receivable and prepaid expenses	(2,486,857)	(755,271)
Pledges receivable	(27,117,466)	512,500
Accounts payable and accrued liabilities	(90,046)	(727,082)
Due to Alberta Health Services	30,879	197,630
Deferred revenue and deposits	439,744	28,018
Cash generated, operating activities	41,049,129	11,812,967
Investing and financing activities:		
Purchases of portfolio investments	(29,639,073)	(109,001,028)
Disposals of portfolio investments	32,460,898	156,770,355
Purchases of guaranteed investment certificates	(134,800,000)	(65,000,000)
Maturity of guaranteed investment certificates	90,000,000	5,000,000
Purchase of capital assets	(240,055)	(275,517)
Purchases of other investments	(540,811)	-
Cash used, investing and financing activities	(42,759,041)	(12,506,190)
Decrease in cash	(1,709,912)	(693,223)
Cash, beginning of year	9,421,235	10,114,458
Cash, end of year	\$ 7,711,323	\$ 9,421,235

See accompanying notes to financial statements.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements

Year ended March 31, 2024

1. Authority and purpose:

The Alberta Cancer Foundation (the "Foundation") operates under the Province of Alberta 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.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

(a) Fund accounting:

The Foundation follows the restricted fund method of accounting for contributions. For financial reporting purposes, the accounts have been classified into the following funds:

- (i) the Unrestricted Fund – consists of contributions and investment income upon which the donors or the Board of Trustees (the "Trustees") have imposed no restrictions. Unrestricted funds are available for immediate purposes, including the Foundation's general fundraising and administrative expenses.
- (ii) the Externally Restricted Fund – consists of funds whose resources are to be used for an identified purpose as specified by the donor or other external parties. The Externally Restricted Fund additionally accounts for external endowment expendable.
- (iii) the Internally Restricted Fund – consists of funds upon which the Trustees have imposed restrictions. These funds represent donations and income that was initially unrestricted which the Board has restricted for identified purposes.
- (iv) the Endowment Fund – consists of funds whereby the donor requires that the principal investment, and any additional capitalized investment income, be maintained by the Foundation on a permanent or term basis, as determined in accordance with the donor agreement. Investment income earned on endowed funds is recorded in the Externally Restricted Fund.
- (v) the Capital Asset Fund – reports the revenues and expenditures related to the Foundation's capital assets.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

2. Significant accounting policies (continued):

(b) Revenue recognition:

- (i) Unrestricted contributions are recognized as revenue in the Unrestricted Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- (ii) Externally restricted contributions, other than endowment contributions, are recognized as revenue in the Externally Restricted Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions can only be used for the purposes designated by external parties.
- (iii) Endowment contributions are recognized in the Endowment Fund as revenue when received or receivable.
- (iv) Investment income earned on amounts restricted for endowments must be spent on restricted purposes and is recognized as revenue in the Externally 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.
- (vi) Interfund transfers relate to internally imposed requirements as directed by the Trustees or changes in the designation of funds as directed by the donor.

(c) Pledges receivable:

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

(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 and is reported in the Capital Asset Fund:

Leasehold improvements	over the initial lease term
Furniture and equipment	3 and 10 years
Enterprise systems	5 years

Capital assets under development are not amortized. Capital assets are tested for impairment if there are events or circumstances that would indicate that the carrying amount of an asset may exceed its fair value. An impairment loss is measured as the amount by which the asset's carrying value exceeds its fair value.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

2. Significant accounting policies (continued):

(e) Deferred revenue and deposits:

Revenue related to fundraising for events that will take place subsequent to the year-end are deferred. Deferred revenues will be recognized when the fundraising events are held.

(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 are recorded at amortized cost using the effective interest rate method, with the exception of investments carried fair value basis. Investments quoted in an active market are carried at fair value. Investments in entities where there is no active market are recorded under the cost method.

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.

Canadian Public Sector Accounting Standards require the Foundation 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.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

2. Significant accounting policies (continued):

(g) Foreign currency:

Foreign currency transactions are recorded at the exchange rate at the time of the transaction. Monetary items denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at the statement of financial position date and non-monetary items are translated at the rates of exchange in effect when the assets were acquired or the obligations incurred.

(h) Charitable disbursements:

Disbursements are provided annually for the funding of research, infrastructure, special equipment, psychosocial care, palliative care, and patient education and comfort. 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 year. Estimates made in these financial statements include recognition of pledges receivable, allowances for doubtful accounts and the estimated useful life of capital assets and their corresponding amortization rates and methods. Actual results could differ from those estimates.

(j) Related party transactions:

Transactions with related parties are recorded at exchange amounts being the amount of consideration agreed to by the parties. All unallocated costs, comprising materials and services contributed by related parties in support of the Foundation's operations are not recognized in the financial statements.

(k) Accounting standards adopted:

The following accounting standards, effective April 1, 2023, were adopted during the year: PS 3400 *Revenue*; PSG-8 *Purchased Intangibles* and PS 3160 *Public Private Partnerships*. The adoption of these standards did not have a material impact on the financial statements.

(l) Future accounting standard changes:

Effective April 1, 2026 (with early adoption permitted), PS 1000, *Financial Statement Concepts* and PS 1100, *Financial Statement Objectives*, will be replaced by a conceptual framework which includes ten chapters, PS 1202, *Financial Statement Presentation*. Management is still assessing the impact of this standard change to the Foundation.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

3. Pledges receivable:

	2024		2023	
Externally Restricted - Campaign	\$	27,117,466	\$	-
	\$	27,117,466	\$	-

The Foundation has gift agreements from individual or corporate donors who have committed to donate in the future to support the specified programs. The Foundation regularly consults with donors to either receive their pledged gift or reaffirm their intent to fulfill their future commitments.

At year end, the Foundation has the following commitments outstanding from donors which have not been recognized in the financial statements:

	Unrestricted	Externally Restricted	Externally Restricted - Campaign	2024 Total	2023 Total
Year ended March 31:					
2024 (Past Due)	\$ 5,000	\$ 7,500	\$ 2,068,059	\$ 2,080,559	\$ 3,045,333
2025	55,000	1,542,099	5,210,009	6,807,108	3,335,333
2026	55,000	1,457,622	5,848,250	7,360,872	3,572,000
2027	-	184,500	4,818,250	5,002,750	1,542,000
2028	-	159,500	2,537,438	2,696,938	242,000
2029	900,000	14,500	1,360,000	2,274,500	102,000
2030 and thereafter	-	6,000	12,640,000	12,646,000	306,000
	\$ 1,015,000	\$ 3,371,721	\$ 34,482,006	\$ 38,868,727	\$ 12,144,666

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

4. Investments:

	2024		2023	
	Fair value	Cost	Fair value	Cost
Cash	\$ 134	\$ 134	\$ 13	13
Level 1 Equity Instruments	306,441	306,441	-	-
Level 2 Designated Fair Value Instruments:				
Pooled equity funds - Canadian	27,979,869	27,895,640	25,213,858	27,178,734
Pooled equity funds - US	25,772,888	13,483,213	23,162,272	13,925,109
Pooled equity funds - Global	38,754,941	32,639,732	32,319,058	30,089,480
Pooled fixed income funds	48,453,993	52,987,008	41,842,476	46,039,297
Money market funds	10,899,941	10,894,011	9,784,162	9,784,162
Total portfolio investments	\$ 152,168,207	\$ 138,206,179	\$ 132,321,839	\$ 127,016,795
Guaranteed investment certificates				
Prime-linked redeemable	\$ 8,000,000	\$ 8,000,000	\$ 10,000,000	\$ 10,000,000
Maturing April, 2023				
bearing interest at 5.05%	-	-	5,000,000	5,000,000
Maturing July, 2023				
bearing interest at 5.33%	-	-	5,000,000	5,000,000
Maturing October, 2023				
bearing interest at 5.16%	-	-	15,000,000	15,000,000
Maturing October, 2023				
bearing interest at 5.37%	-	-	5,000,000	5,000,000
Maturing January, 2024				
bearing interest at 5.40%	-	-	5,000,000	5,000,000
Maturing April, 2024				
bearing interest at 5.37%	7,000,000	7,000,000	-	-
Maturing April, 2024				
bearing interest at 5.80%	8,000,000	8,000,000	-	-
Maturing July, 2024				
bearing interest at 5.75%	10,000,000	10,000,000	-	-
Maturing July, 2024				
bearing interest at 5.80%	7,800,000	7,800,000	-	-
Maturing September, 2024				
bearing interest at 5.72%	5,000,000	5,000,000	-	-
Maturing September, 2024				
bearing interest at 5.56%	5,000,000	5,000,000	-	-
Maturing October, 2024				
bearing interest at 5.17%	15,000,000	15,000,000	15,000,000	15,000,000

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

4. Investments (continued):

	Fair value	2024		2023	
		Fair value	Cost	Fair value	Cost
Maturing December, 2024 bearing interest at 5.54%	5,000,000	5,000,000	-	-	
Maturing January, 2025 bearing interest at 5.07%	5,000,000	5,000,000	-	-	
Maturing February, 2025 bearing interest at 5.45%	6,000,000	6,000,000	-	-	
Maturing November, 2025 bearing interest at 5.44%	10,000,000	10,000,000	-	-	
Maturing February, 2026 bearing interest at 4.87%	7,000,000	7,000,000	-	-	
Maturing February, 2027 bearing interest at 4.75%	6,000,000	6,000,000	-	-	
Total guaranteed investment certificates	\$ 104,800,000	\$ 104,800,000	\$ 60,000,000	\$ 60,000,000	
Other investments	\$ 542,000	\$ 542,000	\$ -	\$ -	
Total investments	\$ 257,510,207	\$ 243,548,179	\$ 192,321,839	\$ 187,016,795	
Short-term investments	\$ 81,800,000	\$ -	\$ 45,000,000	\$ -	
Long-term investments	\$ 175,710,207	\$ -	\$ 147,321,839	\$ -	

The current portion of investments includes guaranteed investment certificates maturing in the next fiscal year.

The Foundation is subject to various risks related to its investment holdings (see note 13). 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 short-term paper and 30% to 85% for equity instruments for its' endowed investments. Risk is reduced through asset class diversification, further 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 through the exclusion of investment purchases below investment grade. The bond portfolio holds a maximum of 30% in BBB-rated bonds, a minimum of 40% in government bonds, a maximum of 5% to any single corporate bond issuer and a maximum of 10% in foreign securities.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

5. Capital assets:

	2024		
	Cost	Accumulated amortization	Net book value
Leasehold improvements	\$ 23,036	\$ 23,036	\$ -
Furniture and equipment	845,092	814,937	30,155
Computer software	764,935	79,631	685,304
	\$ 1,633,063	\$ 917,604	\$ 715,459

	2023		
	Cost	Accumulated amortization	Net book value
Leasehold improvements	\$ 377,323	\$ 376,555	\$ 768
Furniture and equipment	880,883	832,473	48,410
Computer software	524,880	11,711	513,169
	\$ 1,783,086	\$ 1,220,739	\$ 562,347

The Unrestricted fund includes amortization expense of \$86,943 (2023 - \$81,363).

6. Fund balances:

Fund balances consist of the following:

Externally restricted balances

Externally restricted balances represent contributions received for the following purposes, which had not been spent at year-end:

	2024	2023
Restricted for future charitable disbursements		
Restricted to general cancer care & research	\$ 45,603,067	\$ 33,630,925
Restricted to We Cross Cancer campaign	21,769,859	21,512,710
Restricted to OWN Cancer campaign	50,527,233	10,218,976
Endowment Fund:		
External endowments, expendable portion	28,110,992	28,025,799
Total externally restricted fund balance	\$ 146,011,151	\$ 93,388,410

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

6. Fund balances (continued):

Internally restricted balances

The Trustees have internally restricted the following balances, which are not available for other purposes without approval of the Trustees.

	2024	2023
Operating reserve	\$ -	\$ 1,000,000
Internally restricted reserve for future commitments		3,267,739
Internal endowments:		
Trustee internal endowments, principal	-	33,319,793
Trustee internal endowments, expendable portion	-	5,404,942
	-	38,724,735
Alberta Cancer Foundation Fund	45,787,241	-
Total internally restricted fund balance	\$ 45,787,241	\$ 42,992,474

During the year, the Board of Trustees motioned to dissolve the Operating reserve, Internally restricted reserve for future commitments and Internal endowments and establish the Alberta Cancer Foundation Fund in support of sustainability, core programs, and high impact projects furthering cancer research, the prevention, detection and diagnosis of cancer, and for the treatment and care of cancer patients.

Externally restricted endowment principal

	2024	2023
Cancer research	\$ 55,137,497	\$ 57,575,847
Arthur J.E. Child Comprehensive Cancer Centre	30,000,000	-
Other	1,952,237	2,432,560
	\$ 87,089,734	\$ 60,008,407

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

7. Lottery:

During the year, the Foundation held the Cash and Cars Lottery, the You Win 50 Lottery and the Win Daily Lottery. The financial results of the lotteries are as follows:

	2024	2023
Revenues	\$ 10,474,479	\$ 8,366,674
Expenditures:		
Prizes	4,112,049	4,192,143
Marketing and other	2,759,675	3,208,318
	6,871,724	7,400,461
Excess of revenues over expenditures	\$ 3,602,755	\$ 966,213

8. Investment and other income:

	2024	2023
Operations:		
Interest and dividends	\$ 9,707,012	\$ 6,882,739
Realized gains (losses), reclassified to the statement of operations	1,362,592	(3,340,305)
Realized losses during the year	(162,433)	(5,458,321)
Other income	11,855	17,330
	\$ 10,919,026	\$ (1,898,557)

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

9. Related party transactions:

As the Foundation operates under the authority of the Province of Alberta Regional Health Authorities Act, Section 23(1)(n) and the Alberta Cancer Foundation Regulation 70/2009, it is included within the Province of Alberta's government reporting entity.

The following related party transactions have been recorded in the financial statements. These transactions occurred normal course of business and have been recorded at their exchange amount.

Charitable disbursements, net of amounts returned during the year:

	2024	2023
AHS (Cancer Care)	\$ 13,953,433	\$ 16,723,908
University of Calgary	7,559,609	3,870,844
University of Alberta	4,053,818	4,859,599
	<u>\$ 25,566,860</u>	<u>\$ 25,454,351</u>

These amounts 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.

Expenditures includes \$8,493,415 (2023 - \$7,081,208) that were processed by related parties on behalf of the Foundation.

Certain materials and services are contributed by Alberta Health Services (AHS) in support of the Foundation's operations. These materials and services are provided without charge, and include:

Human Resources (HR) Support Services:

- Payroll management and processing
- General HR support and consultation
- Health benefit & pension management

Information Technology (IT) Support Services:

- Access to IT applications and licenses
- Network support and connectivity
- File storage
- Supply of technological assets, including computers, printers, and phones
- Cyber security support and measures
- General IT support and consultation

Other:

- Insurance coverage
- Access to intranet and learning resources
- Accounts payable processing for invoices denominated in a foreign currency.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

9. Related party transactions (continued):

These materials and services are not recorded in these financial statements as the value of the services is not readily determinable. The value of these materials and services does not vary substantially from year to year.

Related parties also include key management personnel (KMP) of the Foundation. KMP includes individuals who are part of the governing body with authority over planning, directing and controlling the activities of the Foundation. In addition, KMP include employees with day-to-day responsibility over activities and operations. KMP of the Foundation include members of the Trustees and the senior management team. Related party transactions with KMP consist of compensation related payments to employees. These are considered to be routine employment transactions.

10. Future charitable disbursements:

As at March 31, 2024, the Foundation has contractually committed to the following future charitable disbursements, due within the next 5 years:

2025	2026	2027	2028	2029 & after	Total
\$ 19,769,733	\$ 12,069,723	\$ 5,510,159	\$ 3,354,873	\$ 8,095,000	\$ 48,799,488

The Foundation has additionally committed to \$44,045,906 (2023 - \$31,564,726) of future charitable disbursements beginning in Fiscal 2025 for which the disbursement schedule is unknown.

Due to delays in capital projects, \$10,454,726 which was scheduled to be released in Fiscal 2024 has been delayed to Fiscal 2025 and thereafter.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

11. Commitments:

The Foundation has entered into operating leases for the rental of its office spaces. Future minimum lease payments under the operating leases are as follows:

2025	\$	218,042
2026		221,915
2027		176,573
	\$	616,530

Under the Foundation's operating lease in Edmonton, the Foundation has access to a one-time tenant improvement allowance of \$261,450. This allowance has not been recorded in the financial statements. Future lease-hold improvements will be reduced by the allowances received. The Foundation is also responsible for its portion of operating costs related to office space.

12. Additional information to comply with the disclosure requirement of the Charitable Fund Raising Act and Regulation:

In 2024, \$2,862,036 (2023 - \$2,537,676) was paid as remuneration to employees whose principal duties involve fundraising. \$1,663,012 (2023 - \$1,959,600) was paid to fundraising businesses.

13. Financial risk management:

The Foundation is exposed to market risks associated with its financial instruments. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk

Market risk comprises three types of risk: price risk, interest rate risk and currency risk. To manage these risks, the Foundation has established a target mix of investment types designated to achieve the optimum return with reasonable risk tolerance (see note 4).

Price risk

The Foundation is exposed to price risk as the fair value of equity instruments held may be subject to change due to fluctuations in market prices. If the Foundation's equity investments declined by 1%, the fair value of the investments held would decrease by \$928,141 (2023 - \$806,950).

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

13. Financial risk management (continued):

Market risk (continued)

Interest rate risk

The Foundation is exposed to interest rate risk with respect to its fixed income investments. These investments may be impacted by market changes in interest rates. A 1% change in interest rates would have the following impact on market values:

	2024	2023
Increase in interest rate	\$ (3,231,881)	\$ (2,803,446)
Decrease in interest rate	3,721,267	3,246,976

Currency risk

Currency risk to the Foundation is that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The foreign denominated cash on hand is minimal. The Foundation is indirectly exposed to currency risk in its holdings of its US and Global pooled equity funds. The Foundation does not use derivatives to manage this risk.

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation assesses, on a continuous basis, its accounts receivable and pledges receivable and provides for any amounts that are not collectible in an allowance for doubtful accounts. The maximum exposure to credit risk of the Foundation is the carrying value of these assets.

Liquidity risk

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost under both normal and stressed conditions. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

ALBERTA CANCER FOUNDATION

Schedule 1: Additional Fund Activities

Year ended March 31, 2024

Fund activities are comprised of the following:

	General	Cancer Care and Research	Endowment	2024 Total	2023 Total
Revenues:					
Donations and contributions	\$ 7,521,553	\$ 21,654,523	\$ 191,749	\$ 29,367,825	\$ 15,262,144
Campaign donations and contributions	-	51,101,369	30,000,000	81,101,369	31,712,185
Sponsorships and registrations	320	1,556,277	77,000	1,633,597	781,090
Lottery	-	10,474,479	-	10,474,479	8,366,674
Grants	-	-	-	-	75,000
Investment and other income:					
Operations	6,115,787	125,433	4,677,806	10,919,026	(1,898,557)
Realized gains on investments restructuring	-	-	-	-	-
	13,637,660	84,912,081	34,946,555	133,496,296	54,298,536
Expenditures:					
Charitable disbursements:					
Core programs	-	7,276,077	49,005	7,325,082	7,435,314
Other cancer care and research	-	17,901,992	2,335,385	20,237,377	19,523,738
	-	25,178,069	2,384,390	27,562,459	26,959,052
Direct fundraising costs	3,828,765	5,426,274	-	9,255,039	8,786,430
Lottery	-	6,871,724	-	6,871,724	7,400,461
Foundation operations	5,372,075	38	236,632	5,608,745	5,214,833
	9,200,840	37,476,105	2,621,022	49,297,967	48,360,776
Excess of revenues over expenditures	\$ 4,436,820	\$ 47,435,976	\$ 32,325,533	\$ 84,198,329	\$ 5,937,760

ALBERTA CANCER FOUNDATION

Schedule 1: Additional Fund Activities (continued)

Year ended March 31, 2024

Fund definitions:

(i) General Fund

Includes resources available for immediate purposes and accounts for the Foundation's general fundraising and administrative activities and the Foundation's capital assets.

(ii) Cancer Care and Research Fund

The purpose of these funds are for cancer research, prevention and screening initiatives, as well as patient care and support, education and equipment. This fund includes externally restricted resources to be used for an identified purpose as specified by the donor or by fundraising initiatives or internally restricted resources to be used for an identified purpose as determined by the Board of Trustees.

(iii) Endowment Fund

Includes those funds where either the donor or the Board of Trustees have stipulated that the principal investment be maintained by the Foundation on a permanent or term basis and investment income subject to restrictions stipulating that it be either added to the principal amount of the endowment or to be expended for an identified purpose as specified by the donor.