

Financial Statements of

**ALBERTA CANCER  
FOUNDATION**

And Independent Auditor's Report thereon

Year ended March 31, 2023



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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, 2023
- the statement of operations for the year then ended
- the statement of changes 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, 2023, 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.

### *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 auditor's report thereon, included in a document likely to be entitled "2023 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 auditor's report thereon, included in a document likely to be entitled "2023 Report To Our Community" is expected to be made available to us after the date of this auditor's 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, 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, flowing style. Below the signature is a single, long, horizontal stroke that tapers at both ends, serving as a decorative underline.

Chartered Professional Accountants

Edmonton, Canada

May 30, 2023

# ALBERTA CANCER FOUNDATION

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# ALBERTA CANCER FOUNDATION

## Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
<b>Assets</b>		
Current assets:		
Cash	\$ 9,421,235	\$ 10,114,458
Accounts receivable and prepaid expenses	1,587,200	831,929
Pledges receivable (note 3)	-	512,500
Short-term investments (note 4)	45,000,000	-
	56,008,435	11,458,887
Investments (note 4)	147,321,839	186,560,247
Capital assets (note 5)	562,347	368,194
	\$ 203,892,621	\$ 198,387,328
<b>Liabilities and Fund Balances</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 647,217	\$ 1,374,294
Due to Alberta Health Services (note 9)	656,715	459,085
Deferred revenue and deposits	332,007	303,989
	1,635,939	2,137,368
Fund balances (note 6):		
Unrestricted Fund	-	2,243,131
Externally Restricted Fund	93,388,410	76,786,700
Internally Restricted Fund	42,992,474	51,792,895
Endowment Fund	60,008,407	59,822,965
Capital Asset Fund	562,347	368,193
	196,951,638	191,013,884
Accumulated remeasurement gains	5,305,044	5,236,076
	202,256,682	196,249,960
Future charitable disbursements (note 10)		
Commitments (note 11)		
	\$ 203,892,621	\$ 198,387,328

See accompanying notes to financial statements.

Approved by the Trustees:

  
Dr. Chris Eagle  
Chair, Alberta Cancer Foundation

Trustee

  
Brian Bale  
Chair, Audit & Finance Committee

Trustee

# ALBERTA CANCER FOUNDATION

## Statement of Operations and Changes in Fund Balances

March 31, 2023, with comparative information for 2022

	Unrestricted Fund	Externally Restricted Fund	Internally Restricted Fund	Endowment Fund	Capital Asset Fund	2023	2022
Revenues:							
Donations and contributions	\$ 6,582,061	\$ 8,494,641	\$ -	\$ 185,442	\$ -	\$ 15,262,144	\$ 12,256,681
Campaign donations and contributions	-	31,712,185	-	-	-	31,712,185	9,071,892
Sponsorships and registrations	-	781,090	-	-	-	781,090	774,700
Lottery (note 7)	-	8,366,674	-	-	-	8,366,674	9,682,596
Grants	-	75,000	-	-	-	75,000	68,466
Investment and other income (note 8):							
Operations	(4,770,263)	1,967,794	903,912	-	-	(1,898,557)	24,441,571
Realized gain on investments	-	-	-	-	-	-	20,416,545
	1,811,798	51,397,384	903,912	185,442		54,298,536	76,712,451
Expenditures:							
Charitable disbursements (note 9):							
Core programs	64,114	4,996,249	2,374,951	-	-	7,435,314	7,037,981
Other cancer care and research	-	18,035,934	1,487,804	-	-	19,523,738	20,209,574
	64,114	23,032,183	3,862,755	-	-	26,959,052	27,247,555
Direct fundraising costs	4,908,326	3,843,278	-	-	34,826	8,786,430	6,034,164
Lottery (note 7)	-	7,400,461	-	-	-	7,400,461	7,253,804
Foundation operations	4,853,893	202,057	112,346	-	46,537	5,214,833	4,851,509
	9,826,333	34,477,979	3,975,101	-	81,363	48,360,776	45,387,032
Excess of revenues over expenditures before transfers	(8,014,535)	16,919,405	(3,071,189)	185,442	(81,363)	5,937,760	31,325,419
Interfund transfers	5,771,410	(317,695)	(5,729,232)	-	275,517	-	-
Excess of revenues over expenditures	(2,243,125)	16,601,710	(8,800,421)	185,442	194,154	5,937,760	31,325,419
Fund balances, beginning of year (note 14)	2,243,125	76,786,700	51,792,895	59,822,965	368,193	191,013,878	159,688,459
Fund balances, end of year	\$ -	\$ 93,388,410	\$ 42,992,474	\$ 60,008,407	\$ 562,347	\$ 196,951,638	\$ 191,013,878

See accompanying notes to financial statements.

# ALBERTA CANCER FOUNDATION

## Statement of Remeasurement Gains and Losses

March 31, 2023, with comparative information for 2022

		2023		2022
Accumulated remeasurement gains, beginning of year	\$	5,236,076	\$	45,655,315
Unrealized losses attributable to investments		(3,271,337)		(9,464,853)
Realized losses (gains) reclassified to the statement of operations		3,340,305		(30,954,386)
Accumulated remeasurement gains, end of year	\$	5,305,044	\$	5,236,076

See accompanying notes to financial statements.



# ALBERTA CANCER FOUNDATION

## Statement of Cash Flows

March 31, 2023, with comparative information for 2022

	2023	2022
Cash generated from (used by):		
Operating activities:		
Excess of revenues over expenditures	\$ 5,937,760	\$ 31,325,419
Items not involving cash:		
Realized losses (gains) on disposal of investments, net	8,798,625	(34,353,553)
Donated shares	(2,260,576)	(3,573,432)
Amortization of capital assets	81,363	79,409
Change in non-cash operating working capital accounts:		
Accounts receivable and prepaid expenses	(755,271)	(221,186)
Pledges receivable	512,500	(327,684)
Accounts payable and accrued liabilities	(727,082)	980,462
Due to Alberta Health Services	197,630	(100,202)
Deferred revenue and deposits	28,018	204,989
Cash generated (used), operating activities	11,812,967	(5,985,778)
Investing and financing activities:		
Purchases of portfolio investments	(109,001,028)	(99,695,840)
Disposals of portfolio investments	156,770,355	103,982,125
Purchases of guaranteed investment certificates	(65,000,000)	-
Disposals of guaranteed investment certificates	5,000,000	-
Purchase of capital assets	(275,517)	(249,364)
Cash (used) generated, investing and financing activities	(12,506,190)	4,036,921
(Decrease) increase in cash	(693,223)	(1,948,857)
Cash and cash equivalents, beginning of year	10,114,458	12,063,315
Cash, end of year	\$ 9,421,235	\$ 10,114,458

See accompanying notes to financial statements.

# ALBERTA CANCER FOUNDATION

## Notes to Financial Statements

Year ended March 31, 2023

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### 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 basis.
- (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, 2023

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## 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, 2023

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## 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 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.

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, 2023

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### 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 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:

Related party transactions are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length. Transactions are recorded at exchange amounts. All unallocated costs, compromising 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:

In March 2018, the Accounting Standards Board issued new Section PS 3280, Asset Retirement Obligations. Prior to this, the public sector handbook did not include specific guidance on accounting for asset retirement obligations. The adoption of this standard during the year had no impact on the Foundation's financial statements.

(l) Future accounting standard changes:

The following accounting standards are applicable in future years: PS3400 Revenue (effective April 1, 2023); PSG-8 Purchased Intangibles (effective April 1, 2023) and PS3160 Public Private Partnerships (effective April 1, 2023). Management is currently assessing the impact of these standards on the financial statements.

# ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 3. Pledges receivable:

	2023	2022
Externally restricted - campaign	\$ -	\$ 512,500
	\$ -	\$ 512,500

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	2023 Total	2022 Total
Year ended March 31:					
2023 (past due)	\$ -	\$ 1,643	\$ 777,980	\$ 779,623	\$ 14,405,218
2024	55,000	60,333	2,930,000	3,045,333	1,626,750
2025	-	560,333	2,775,000	3,335,333	1,260,000
2026	-	1,027,000	2,545,000	3,572,000	1,155,000
2027	-	27,000	1,515,000	1,542,000	125,000
2028	-	2,000	240,000	242,000	20,000
2029 and thereafter	-	8,000	400,000	408,000	-
	\$ 55,000	\$ 1,686,309	\$ 11,182,980	\$ 12,924,289	\$ 18,591,968

# ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 4. Investments:

	2023		2022	
	Fair value	Cost	Fair value	Cost
Cash	\$ 13	\$ 13	\$ 2,457	\$ 2,457
Level 2 Designated Fair Value Instruments:				
Pooled equity funds - Canadian	25,213,858	27,178,734	39,628,395	38,840,646
Pooled equity funds - US	23,162,272	13,925,109	33,261,593	22,367,894
Pooled equity funds - Global	32,319,058	30,089,480	44,350,230	46,045,571
Pooled fixed income funds	41,842,476	46,039,297	59,935,697	64,685,728
Money market funds	9,784,162	9,784,162	9,381,875	9,381,875
Total portfolio investments	\$ 132,321,839	\$ 127,016,795	\$ 186,560,247	\$ 181,324,171
Guaranteed investment certificates				
Prime-linked redeemable	\$ 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 October, 2024				
bearing interest at 5.17%	15,000,000	15,000,000	-	-
Total guaranteed investment certificates	\$ 60,000,000	\$ 60,000,000	\$ -	\$ -
Total investments	\$ 192,321,839	\$ 187,016,795	\$ 187,560,247	\$ 181,324,171

The Foundation is subject to various risks (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, 2023

## 5. Capital assets:

				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
				2022
	Cost	Accumulated amortization		Net book value
Leasehold improvements	\$ 377,323	\$ 354,948	\$	22,375
Furniture and equipment	880,883	784,428		96,455
Computer software	249,364	-		249,364
	\$ 1,507,570	\$ 1,139,376	\$	368,194

The Unrestricted fund includes amortization expense of \$81,363 (2022 - \$79,409).

## 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:

				2023	2022
Restricted for future charitable disbursements					
Restricted to general cancer care & research	\$	33,630,925	\$	40,057,807	
Restricted to We Cross Cancer campaign		21,512,710		3,277,454	
Restricted to OWN Cancer campaign		10,218,976		4,152,033	
Endowment Fund:					
External endowments, expendable portion		28,025,799		29,299,406	
Total externally restricted fund balance	\$	93,388,410	\$	76,786,700	



# ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 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.

	2023	2022
Operating reserve	\$ 1,000,000	\$ 1,000,000
Internally restricted reserve for future commitments	3,267,739	12,346,923
Internal endowments:		
Trustee internal endowments, principal	33,319,793	33,319,793
Trustee internal endowments, expendable portion	5,404,942	5,126,179
	38,724,735	38,445,972
Total internally restricted fund balance	\$ 42,992,474	\$ 51,792,896

### Externally restricted endowment principal

	2023	2022
Cancer research	\$ 57,575,847	\$ 57,410,905
Building excellence	646,643	646,143
Patient financial assistance	1,027,842	1,027,842
Patient programs and equipment	758,075	738,075
	\$ 60,008,407	\$ 59,822,965

### Interfund transfers

The Board of Trustees approved a transfer of \$5,729,232 of internally restricted funds to unrestricted funds.

# ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 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:

	2023	2022
Revenues	\$ 8,366,674	\$ 9,682,596
Expenditures:		
Prizes	4,192,143	4,293,047
Marketing and other	3,208,318	2,960,757
	7,400,461	7,253,804
Excess of revenues over expenditures	\$ 966,213	\$ 2,428,792

## 8. Investment and other income:

	2023	2022
Operations:		
Interest and dividends	\$ 6,882,739	\$ 10,498,205
Realized (losses) gains, reclassified to the statement of operations	(3,340,305)	30,954,486
Realized losses during the year	(5,458,321)	(17,017,478)
Other income	17,330	6,358
	(1,898,557)	24,441,571
Realized gains on investments restructuring	-	20,416,545
	\$ (1,898,557)	\$ 44,858,116

# ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 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:

	2023	2022
AHS (Cancer Control)	\$ 16,723,908	\$ 14,343,088
University of Alberta	4,859,599	6,114,729
University of Calgary	3,870,844	3,154,660
	<b>\$ 25,454,351</b>	<b>\$ 23,612,477</b>

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. As at

Expenditures includes \$7,081,208 (2022 - \$6,065,200) 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, 2023

## 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, 2023, the Foundation has committed to the following future charitable disbursements, due within the next 5 years:

	2024	2025	2026	2027	2028	2029 & after	Total
Externally Restricted	\$ 15,058,493	\$ 10,731,853	\$ 9,269,996	\$ 9,328,817	\$ 9,375,777	\$ 1,120,000	\$ 56,004,936
Externally Restricted - Endowments	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	-	15,000,000
	\$ 18,058,493	\$ 13,731,853	\$ 12,269,996	\$ 12,328,817	\$ 12,375,777	\$ 1,120,000	\$ 69,884,936

The Foundation has additionally committed to \$31,564,726 of future charitable disbursements beginning in Fiscal 2024 for which the disbursement schedule is unknown.

# ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 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:

2024	\$	216,273
2025		218,042
2026		221,915
2027		176,573
	\$	832,803

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 2023, \$2,537,676 (2022 - \$2,315,759) was paid as remuneration to employees whose principal duties involve fundraising. \$1,959,600 (2022 - \$1,233,845) 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 5).

### *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 equity market indices declined by 1%, the fair value of the investments held would decrease by \$806,950 (2022 - \$1,172,402).

# ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 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:

	2023	2022
Increase in interest rate	\$ (2,803,446)	\$ (4,255,434)
Decrease in interest rate	\$ 3,246,976	\$ 5,040,592

#### *Currency risk*

The risk to the Foundation that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates is not significant. The foreign denominated cash on hand is minimal. The Foundation is exposed to changes in the value of its US and Global pooled equity funds attributable to fluctuations in foreign currency.

### 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 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

Notes to Financial Statements (continued)

Year ended March 31, 2023

## 14. Recast:

During the year, the Foundation reviewed its fund balances and determined there was a recast error as at March 31, 2022 between the restricted and internally restricted fund balances. The error did not have an impact on the Foundation's statement of operations and changes in fund balances or statement of cash flows for the year ended March 31, 2022. The reclassification of the fund balances has been represented retroactively and the adjustment as at March 31, 2022 is as follows:

Fund	As previously reported	Net change	As restated
Unrestricted fund	\$ 2,243,131	\$ -	\$ 2,243,131
Restricted fund	70,226,215	(6,560,485)	76,786,700
Internally restricted fund*	58,353,380	(6,560,485)	51,792,895
Endowment fund	59,822,965	-	59,822,965
Capital asset fund*	368,193	-	368,193

\*Internally restricted fund previously included Capital asset fund which was segregated for presentation purposes in Fiscal 2023.

## 15. Comparative information:

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

# ALBERTA CANCER FOUNDATION

## Schedule 1 - Additional Fund Activities

Year ended March 31, 2023

Fund activities are comprised of the following:

	General	Cancer Care and Research	Endowment	2023 Total	2022 Total
<b>Revenues:</b>					
Donations and contributions	\$ 6,582,061	\$ 8,494,641	\$ 185,442	\$ 15,262,144	\$ 12,256,681
Campaign donations and contributions	-	31,712,185	-	31,712,185	9,071,892
Sponsorships and registrations	-	781,090	-	781,090	774,700
Lottery	-	8,366,674	-	8,366,674	9,682,596
Grants	-	75,000	-	75,000	68,466
Investment and other income:					
Operations	(4,770,263)	51,757	2,819,949	(1,898,557)	24,441,571
Realized gains on investments restructuring	-	-	-	-	20,416,545
	1,811,798	49,481,347	3,005,391	54,298,536	76,712,451
<b>Expenditures:</b>					
Charitable disbursements:					
Core programs	-	7,435,314	-	7,435,314	7,037,981
Other cancer care and research	-	16,815,638	2,708,100	19,523,738	20,209,574
	-	24,250,952	2,708,100	26,959,052	27,247,555
Direct fundraising costs	3,508,482	5,277,948	-	8,786,430	6,034,164
Lottery	-	7,400,461	-	7,400,461	7,253,804
Foundation operations	4,901,481	-	313,352	5,214,833	4,851,509
	8,409,963	36,929,361	3,021,452	48,360,776	45,387,032
<b>Excess of revenues over expenditures</b>	<b>\$ (6,598,165)</b>	<b>\$ 12,551,986</b>	<b>\$ (16,061)</b>	<b>\$ 5,937,760</b>	<b>\$ 31,325,419</b>



# ALBERTA CANCER FOUNDATION

## Schedule 1 - Additional Fund Activities (continued)

Year ended March 31, 2023

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### **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 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