



# **Financial Statements**

**For the fiscal year ended March 31, 2023**

# Independent auditor's report

To the Board of Trustees of  
**Calgary Health Foundation**

## Opinion

We have audited the accompanying financial statements of **Calgary Health Foundation** [the "Foundation"], which comprise the statement of financial position as at March 31, 2023, the statements of operations and changes in fund balances, accumulated remeasurement gains and losses and cash flows for the year then ended and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with Canadian public-sector accounting standards.

## Basis for opinion

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

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

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

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

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

## Auditor's responsibilities for the audit of the financial statements

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



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

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

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

Calgary, Canada  
May 24, 2023

*Ernst & Young LLP*

Chartered Professional Accountants



## Statement of Financial Position

March 31,	2023	2022
<b>ASSETS</b>		
Cash (note 3)	\$ 85,016,128	\$ 84,015,092
Accounts receivable (note 4)	481,661	467,273
Deposits and prepaid expenses (note 5)	1,507,963	2,563,357
Portfolio investments, at market value (note 6)	96,243,340	96,502,220
Other assets	2,280,683	2,441,450
<b>Total Assets</b>	<b>\$ 185,529,775</b>	<b>\$ 185,989,392</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (note 10)	\$ 2,511,118	\$ 2,401,737
Charitable disbursements payable (note 10)	747,215	2,617,462
Deferred revenue	14,225,036	17,304,362
<b>Total Liabilities</b>	<b>\$ 17,483,369</b>	<b>\$ 22,323,561</b>
Commitments (note 9)		
<b>FUND BALANCES</b>		
Operating Fund	\$ 22,160,151	\$ 18,801,008
Restricted Fund	111,705,413	106,883,457
Endowment Fund (note 7)	33,634,590	33,335,927
	<b>\$ 167,500,154</b>	<b>\$ 159,020,392</b>
Accumulated remeasurement gains	546,252	4,645,439
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 185,529,775</b>	<b>\$ 185,989,392</b>

See accompanying notes.

On behalf of the Board:

Signed "Sandy Edmonstone"  
Director

Signed "David Routledge"  
Director

## Statement of Operations and Changes in Fund Balances

Year ended March 31,	Operating Fund		Restricted Fund		Endowment Fund		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>REVENUE</b>								
Donations	\$ 2,188,723	\$ 2,140,378	\$ 7,622,032	\$ 7,782,069	\$ 1,904	\$ 17,902	\$ 9,812,659	\$ 9,940,349
Lotteries	3,276,474	1,417,378	32,138,581	34,936,939	-	-	35,415,055	36,354,317
Events	17,201	13,231	936,025	450,440	-	-	953,226	463,671
	<b>5,482,398</b>	3,570,987	<b>40,696,638</b>	43,169,448	<b>1,904</b>	17,902	<b>46,180,940</b>	46,758,337
Grants - Alberta Health Services (note 10a)	437,127	434,471	-	-	-	-	437,127	434,471
Grants - Other Government	14,350	6,376	-	-	-	-	14,350	6,376
Investment income (note 8)	3,657,290	4,030,574	2,627,791	1,679,733	104,197	1,238,707	6,389,278	6,949,014
	<b>\$ 9,591,165</b>	\$ 8,042,408	<b>\$ 43,324,429</b>	\$ 44,849,181	<b>\$ 106,101</b>	\$ 1,256,609	<b>\$ 53,021,695</b>	\$ 54,148,198
<b>EXPENSES</b>								
Operating (note 11)	\$ 6,038,896	\$ 3,390,470	\$ 1,708,225	\$ 3,328,810	\$ -	\$ -	\$ 7,747,121	\$ 6,719,280
Lotteries	-	-	21,093,661	19,443,398	-	-	21,093,661	19,443,398
Events	-	-	372,374	7,901	-	-	372,374	7,901
	<b>6,038,896</b>	3,390,470	<b>23,174,260</b>	22,780,109	-	-	<b>29,213,156</b>	26,170,579
<b>Excess of revenue over expenses before charitable disbursements</b>	<b>\$ 3,552,269</b>	\$ 4,651,938	<b>\$ 20,150,169</b>	\$ 22,069,072	<b>\$ 106,101</b>	\$ 1,256,609	<b>\$ 23,808,539</b>	\$ 27,977,619
<b>CHARITABLE DISBURSEMENTS</b>								
Alberta Health Services (note 10a)	\$ -	\$ -	\$ 11,364,036	\$ 6,724,557	\$ -	\$ -	\$ 11,364,036	\$ 6,724,557
University of Calgary	-	-	3,110,741	3,559,850	-	-	3,110,741	3,559,850
Other Organizations	-	-	854,000	260,132	-	-	854,000	260,132
	-	-	<b>15,328,777</b>	10,544,539	-	-	<b>15,328,777</b>	10,544,539
<b>Excess of revenue over expenses and charitable disbursements</b>	<b>\$ 3,552,269</b>	\$ 4,651,938	<b>\$ 4,821,392</b>	\$ 11,524,533	<b>\$ 106,101</b>	\$ 1,256,609	<b>\$ 8,479,762</b>	\$ 17,433,080
Fund balances, beginning of year	\$ 18,801,008	\$ 14,851,039	\$ 106,883,457	\$ 95,447,123	\$ 33,335,927	\$ 31,289,150	\$ 159,020,392	\$ 141,587,312
Inter-fund transfers (note 13)	(193,126)	(701,969)	564	(88,199)	192,562	790,168	-	-
<b>Fund balances, end of year</b>	<b>\$ 22,160,151</b>	\$ 18,801,008	<b>\$ 111,705,413</b>	\$ 106,883,457	<b>\$ 33,634,590</b>	\$ 33,335,927	<b>\$ 167,500,154</b>	\$ 159,020,392

See accompanying notes.

## Statement of Accumulated Remeasurement Gains and Losses

Year ended March 31,	<b>2023</b>	2022
Accumulated remeasurement gains/(losses) at beginning of year	\$ 4,645,439	\$ 7,767,003
Unrealized (losses)/gains attributable to: Portfolio investments	<b>(2,445,895)</b>	1,356,674
Less realized gains reclassified to the statement of operations: Portfolio investments	<b>(1,653,292)</b>	(4,478,238)
Net remeasurement losses for the year	<b>(4,099,187)</b>	(3,121,564)
<b>Accumulated remeasurement gains at end of year</b>	<b>\$ 546,252</b>	<b>\$ 4,645,439</b>

*See accompanying notes.*

## Statement of Cash Flows

Year ended March 31,	2023	2022
<b>OPERATING ACTIVITIES</b>		
Cash received from:		
Operating grants	\$ 24,350	\$ 16,376
Donations	9,768,055	9,919,993
Events and lotteries	33,266,537	34,632,617
	<b>43,058,942</b>	44,568,986
Cash paid for:		
Operating expenses	\$ (6,151,029)	\$ (7,289,560)
Events and lotteries	(21,297,239)	(19,538,779)
Charitable disbursements	(17,158,609)	(11,002,168)
	<b>(44,606,877)</b>	(37,830,507)
<b>Cash (used in)/provided by operating activities</b>	<b>\$ (1,547,935)</b>	\$ 6,738,479
<b>INVESTING ACTIVITIES</b>		
Investment income	\$ 6,389,278	\$ 6,949,014
Investments purchased, net	(3,840,307)	(7,886,727)
<b>Cash provided by/(used in) investing activities</b>	<b>\$ 2,548,971</b>	\$ (937,713)
<b>Net increase in cash</b>	<b>\$ 1,001,036</b>	\$ 5,800,766
Cash beginning of year	84,015,092	78,214,326
<b>Cash end of year</b>	<b>\$ 85,016,128</b>	\$ 84,015,092

See accompanying notes.

## Notes to Financial Statements

### 1. NATURE OF ORGANIZATION

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

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

#### a. Fund Accounting

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

##### *i. Operating Fund*

The Operating Fund accounts for the operating activities of CHF.

##### *ii. Restricted Fund*

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

##### *iii. Endowment Fund*

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



## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **b. Cash**

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

### **c. Financial Instruments**

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

Transaction costs are recognized in the statement of operations in the period during which they are incurred.

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

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

#### ***i. Level 1***

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

#### ***ii. Level 2***

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

#### ***iii. Level 3***

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### d. Other Assets

Other assets consist of costs related to future fundraising events and lotteries. These costs are expensed when the fundraising events and lotteries are held. Other assets also consist of the cash surrender value of life insurance policies. The annual premiums are paid by donors. As the realizable amount of such policies in excess of the cash surrender value is not certain, CHF records the benefits in excess of the cash surrender value when the proceeds are known.

### e. Deferred Revenue

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

### f. Revenue Recognition

CHF follows the restricted fund method of accounting for contributions. Grants, bequests and other donations are recorded when received or receivable, if the amounts to be received can be reasonably estimated and collection is reasonably assured. Pledged donations are recorded in the year received, since pledges are not legally enforceable claims. Externally restricted contributions, except endowment contributions, are recognized as revenue of the Restricted Fund when received. Unrestricted contributions are recognized as revenue of the Operating Fund when received. Externally restricted endowment contributions are recognized as revenue of the Endowment Fund when received. Generally, 5% of restricted donations are allocated to the Operating Fund to assist with the operational costs of CHF.

Investment income includes dividend and interest income, income distributions from pooled funds and realized gains or losses arising from the sale of investments. Unrealized gains and losses on investments are recognized in the Statement of Accumulated Remeasurement Gains and Losses until the related investments are sold. Once realized, these gains or losses are recognized in the Statement of Operations. Administration fees of 1% of the Endowment Fund balance is recognized as investment income earned in the Operating Fund and amounts that are available for disbursement allocation are recognized as revenue of the Restricted Fund. Unrestricted investment income earned on internally restricted Endowment Fund resources is recognized as revenue of the Operating Fund. Investment income that has been reinvested is recognized as revenue of the Endowment Fund. Unrestricted investment income earned on Endowment Fund, Restricted Fund and Operating Fund resources is recognized as revenue of the Operating Fund.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### g. Contributed Materials and Services

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

### 3. CASH

March 31,	<b>2023</b>	2022
Operating Fund	\$ <b>7,830,531</b>	\$ 5,954,131
Restricted Fund	<b>77,181,338</b>	78,058,616
Endowment Fund	<b>4,259</b>	2,345
	<b>\$ 85,016,128</b>	\$ 84,015,092

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

The amount of cash associated with lotteries in progress is \$11.3 million (2022 - \$14.6 million). In addition, CHF holds \$10.1 million (2022 - \$9.7 million) in high interest (2023 - 3.4%; 2022 - 0.7%) accounts pending investment in accordance with CHF's investment policies.

### 4. ACCOUNTS RECEIVABLE

March 31,	<b>2023</b>	2022
Events and lotteries	\$ <b>262,264</b>	\$ 220,600
GST	<b>219,397</b>	246,673
	<b>\$ 481,661</b>	\$ 467,273

## 5. DEPOSITS AND PREPAID EXPENSES

March 31,	2023		2022	
Lottery prizes and expenses	\$	1,156,713	\$	2,171,150
Prepaid contracts		351,250		392,207
	\$	1,507,963	\$	2,563,357

## 6. FINANCIAL INSTRUMENTS

Market value as at March 31,	2023		2022	
<b>Level 1</b>				
Cash & cash equivalents	\$	7,840,235	\$	630,543
Bonds & other fixed income instruments		42,534,356		9,039,600
Canadian equity		30,273,559		10,824,000
Global equity		15,595,190		5,897,840
		96,243,340		26,391,983
<b>Level 2</b>				
Jarislowsky Fraser Bond Pooled Fund	\$	-	\$	9,982,538
Jarislowsky Fraser Canadian Equity Fund		-		19,298,707
Jarislowsky Fraser Global Equity Fund		-		40,828,992
		-		70,110,237
<b>Total portfolio investments</b>	\$	96,243,340	\$	96,502,220

The asset allocation of the Level 2 funds as at March 31, 2022 was as follows: short-term 1.1%, bonds 33.5%, Canadian equities 41.5% and non-Canadian equities 23.8%. There were no transfers of assets between Level 1, Level 2 and Level 3 for the years ended March 31, 2023 or 2022.

During 2023, mid-term and long-term investment returns were negative 2.0% (2022 - 7.4%) and 1.0% (2022 - 2.3%), respectively.

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

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

## 6. FINANCIAL INSTRUMENTS (CONTINUED)

### **Foreign currency risk**

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

### **Interest rate risk**

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

### **Credit risk**

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

### **Liquidity risk**

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

### **Other price risk**

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

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

## 7. ENDOWMENTS

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

Endowment net assets consist of the following:

March 31,	<b>2023</b>	2022
Externally restricted	\$ 24,531,858	\$ 24,362,263
Internally restricted by the Board of Trustees	9,102,732	8,973,664
<b>Balance, end of year, before accumulated remeasurement gains</b>	<b>33,634,590</b>	33,335,927
Accumulated remeasurement (losses)/gains	(92,900)	729,847
<b>Balance, end of year</b>	<b>\$ 33,541,690</b>	\$ 34,065,774

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

In fiscal 2023, investment income on externally restricted endowment net assets was \$774,085 (2022 - \$2,160,020) and was recorded as revenue in the statement of operations. The amount of \$431,487 (2022 - \$676,301) was made available for spending and recorded in the Restricted Fund and \$104,197 (2022 - \$1,238,707) was reinvested into the Endowment Fund (*note 8*).

In fiscal 2023, investment income on internally restricted endowment net assets was \$285,951 (2022 - \$796,591) and was recorded as revenue in the statement of operations. The amount of \$93,063 was inter-fund transferred (2022 - \$215,741) to the Restricted Fund, representing the investment income made available for spending, and \$100,063 was inter-fund transferred to the Endowment Fund (2022 - \$485,728) representing the amount reinvested (*note 8*).

## 8. INVESTMENT INCOME ALLOCATION

### Investment Income Allocation for the year ended 2023

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

### Investment Income Allocation for the year ended 2022

	Investment Income <sup>1</sup>	Internally Restricted Endowments	Restricted Income Allocation <sup>2</sup>	Restricted Disbursement Allocation	Administration Fees	Total
Operating Fund	\$ 650,635	\$ 701,469	\$ 2,283,886	\$ -	\$ 394,584	\$ 4,030,574
Restricted Fund	3,341,769	-	(2,283,886)	676,301	(54,451)	1,679,733
Endowment Fund (note 7)	2,956,610	(701,469)	-	(676,301)	(340,133)	1,238,707
	<b>\$ 6,949,014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,949,014</b>

<sup>1</sup> Investment income in the year consists of interest and dividends of \$2,153,005 (2022 - \$1,979,300) and realized gains of \$1,653,292 (2022 - \$4,478,238) that were earned on the portfolio investments and \$2,582,981 (2022 - \$491,476) of interest earned on cash.

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

Year ended March 31,	2023	2022
Realized investment income	\$ 6,389,278	\$ 6,949,014
Unrealized investment loss	(4,099,187)	(3,121,564)
<b>Total investment income</b>	<b>\$ 2,290,091</b>	<b>\$ 3,827,450</b>

## 9. COMMITMENTS

As at March 31, 2023	Total	Less than 1 year	2 years	3 years	4 years
Funding commitments <sup>1</sup>	<b>\$49,992,419</b>	\$ 18,438,197	\$ 14,016,026	\$ 13,970,196	\$ 3,568,000
Lottery prizes <sup>2</sup>	<b>14,975,280</b>	9,966,880	5,008,400	-	-
<b>Total commitments</b>	<b>\$64,967,699</b>	\$ 28,405,077	\$ 19,024,426	\$ 13,970,196	\$ 3,568,000

<sup>1</sup> Funding commitments include approved projects with either a signed Funding Agreement or signed Memorandum of Understanding.

<sup>2</sup> As at March 31, 2023, CHF had committed to purchasing prizes of \$6.3 million for the 2023 Foothills Hospital Home Lottery and \$3.7 million for the 2023 Hospital Home Lottery. CHF had also committed to purchasing prizes for the 2024 Foothills Hospital Home Lotteries totalling \$4.0 million and for the Hospital Home Lotteries totalling \$1.0 million. The 2023 lotteries will be completed in fiscal 2024 and the 2024 lotteries will be completed in fiscal 2025.

## 10. RELATED PARTY TRANSACTIONS

### a. Alberta Health Services

The following amounts related to Alberta Health Services are included in the accompanying financial statements. As at March 31, 2023, there are accounts payable and accrued liabilities and charitable disbursements payable to Alberta Health Services totalling \$1,013,068 and \$678,565 (2022 - \$754,677 and \$1,635,369), respectively.

Year ended March 31,	2023		2022	
<b>Grants received from Alberta Health Services for operating expenses</b>				
Cash - operating costs	\$	<b>10,000</b>	\$	10,000
Gifts in kind - rent		<b>427,127</b>		424,471
	\$	<b>437,127</b>	\$	434,471
<b>Charitable disbursements to Alberta Health Services</b>				
Cash	\$	<b>11,323,621</b>	\$	6,709,794
Gifts in kind		<b>40,415</b>		14,763
	\$	<b>11,364,036</b>	\$	6,724,557



## 10. RELATED PARTY TRANSACTIONS (CONTINUED)

### b. Board of Trustees

A former member of CHF's Board of Trustees is a senior executive of the company that built and sold the homes that were awarded as prizes in the Foothills Hospital Home Lottery and Hospital Home Lottery programs. During the year ended 2022 and while that individual was on the Board, CHF purchased one home for \$2.6 million.

## 11. OPERATING EXPENSES

Year ended March 31,	Operating	Restricted	2023	2022
Fundraising and donor stewardship	\$ 3,527,928	\$ 1,700,887	\$ 5,228,815	\$ 5,166,077
Organizational and volunteer support	821,023	-	821,023	802,624
Marketing and communications	1,330,783	-	1,330,783	494,520
Investment management and custodial fees	359,162	7,338	366,500	256,059
	<b>\$ 6,038,896</b>	<b>\$ 1,708,225</b>	<b>\$ 7,747,121</b>	<b>\$ 6,719,280</b>

## 12. FUNDRAISING EXPENSES

Section 7(2) of the Charitable Fundraising Act Regulation of Alberta requires CHF to disclose the expenses incurred for the purposes of soliciting donations. In fiscal 2023, these costs were \$3.1 million (2022 - \$3.4 million), which includes \$1.4 million (2022 - \$1.4 million) incurred in respect of CHF employees whose principal duty is fundraising. These costs are recognized as part of CHF's operating costs.

## 13. INTER-FUND TRANSFERS

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

## 14. PRIOR YEAR COMPARATIVES

Certain of the prior year numbers have been re-presented to conform with the current year presentation. This did not impact net assets.