Financial Statements - Year ended March 31, 2010

Auditors’ Report

The Auditors

Statement of Financial Position

March 31, 2010, with comparative figures for 2009

<table>
<thead>
<tr>
<th>Field of Interest</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community &amp; Donor Advised</td>
<td>$334,527,856</td>
<td>$274,061,806</td>
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<td>Total</td>
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Statement of Cash Flow

Year ended March 31, 2010, with comparative figures for 2009

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Statement of Operations & Changes in Foundation Funds

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The Calgary Foundation

Chartered Accountants

KP M G LLP

Calgary, Canada • June 7, 2010
Notes to Financial Statements

Year ended March 31, 2010, with comparative figures for 2009

1. Significant accounting policies

a) Financial instruments and reporting standards. In 2009, the IFRS issued three new accounting standards which became
applicable to the Foundation as at April 1, 2010.

Changes to IAS 39 (FAS 125) – Financial Instruments – Transfers and Servicing: requires a transfer to be
auditable for declaring that real estate on book or value shall be the amount of the market value of liabilities.

Financial Instruments – Credit Risk: requires the Foundation to assess the credit risk of the receivables and

b) Changes to Section 4400 – “Financial statement presentation by not-for-profit organizations” introduces the

a) Allowance for contributions: contributions are received from donors and are receivable and are recorded as

b) Use of estimates: estimates are required to be made in the preparation of the financial statements. The

2. Investments

2010 2009

2010 2009

2010 2009

3. Investments

4. Other assets

5. Managed funds

b) Other –

8. Foundation funds

9. Financial assets

10. Transaction costs and administrative assets

11. Investments

1. Significant accounting policies

b) Use of estimates:

a) Financial instruments and reporting standards:

b) Changes to Section 4400 – “Financial statement presentation by not-for-profit organizations” introduces the

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b) Administration: the Foundation is the beneficial owner of the assets of the controlled organizations.

b) Compliance with applicable laws and regulations:

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b) Use of estimates:

b) Change in accounting principles:

7. Other assets

6. Foundation funds

5. Managed funds

b) Other managed funds:

b) Change in accounting principles:

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b) Use of estimates:

b) Change in accounting principles:
7. Service Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>$1,503,787</td>
<td>$1,627,212</td>
</tr>
<tr>
<td>Premiums to maintain life insurance policies</td>
<td>$183,586</td>
<td>$149,954</td>
</tr>
<tr>
<td>Development and communications</td>
<td>$140,554</td>
<td>$277,892</td>
</tr>
</tbody>
</table>

Service costs are allocated to Managed funds in accordance with the agreements. Expenses allocable to a specific fund are charged to that fund.

8. Commitments

The Foundation has entered into a five year lease that commenced October 2007. Annual lease payments are in arrears and are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$370,781</td>
</tr>
<tr>
<td>2010</td>
<td>$60,607</td>
</tr>
<tr>
<td>2011</td>
<td>$60,607</td>
</tr>
<tr>
<td>2012</td>
<td>$60,607</td>
</tr>
<tr>
<td>2013</td>
<td>$60,607</td>
</tr>
</tbody>
</table>

9. Controlled organizations

The Eleanor Luxton Historical Foundation. The Foundation is the beneficial owner of all the shares of the Eleanor Luxton Historical Foundation. The Eleanor Luxton Historical Foundation was incorporated under the Companies Act and has been granted tax exempt status as a registered charity under paragraph 149(1)(f) of the Income Tax Act.

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10. Fund-raising expenses and other

Significantly influenced organizations.

The Foundation has donated $5,000,645 to one private foundation for its charitable work. This amount represents the single disposition of a donation that is equal to or exceeds 10% of the gross contributions received for the twelve month period ended March 31, 2010.

The Foundation has donated $200,659 (2009 – $134,280) to the Calgary Stampede Foundation. The Calgary Stampede Foundation (the “Foundation”) is a Canadian registered charity established to celebrate the culture and heritage of the Calgary Stampede. The Foundation holds one of the two authorized, issued and outstanding shares of the Calgary Stampede Foundation. The Calgary Stampede Foundation is a charitable foundation with the following objectives: (a) to promote and encourage the Calgary Stampede and the traditions of the cowboy way of life, (b) to build and maintain an endowment for the Calgary Stampede, (c) to fund and support activities and programs of the Calgary Stampede, and (d) to build and sustain a financial base for the Calgary Stampede. The Foundation holds the shares of the Calgary Stampede Foundation and has been granted tax exempt status as a registered charity under paragraph 149(1)(f) of the Income Tax Act.

The Foundation has donated $110,659 (2009 – $134,280) to the Calgary Stampede Foundation. The Calgary Stampede Foundation (the “Foundation”) is a Canadian registered charity established to celebrate the culture and heritage of the Calgary Stampede. The Foundation holds one of the two authorized, issued and outstanding shares of the Calgary Stampede Foundation. The Calgary Stampede Foundation is a charitable foundation with the following objectives: (a) to promote and encourage the Calgary Stampede and the traditions of the cowboy way of life, (b) to build and maintain an endowment for the Calgary Stampede, (c) to fund and support activities and programs of the Calgary Stampede, and (d) to build and sustain a financial base for the Calgary Stampede. The Foundation holds the shares of the Calgary Stampede Foundation and has been granted tax exempt status as a registered charity under paragraph 149(1)(f) of the Income Tax Act.
Management Discussion & Analysis - Year ended March 31, 2010

The Calgary Foundation is one of Canada's largest community foundations and a central resource for philanthropy. The Foundation provides donors and the charitable sector with efficient, effective and wide-reaching support. In 2009, the Foundation distributed $23.5 million in grants, approximately 16% of which was directed to Calgary-based projects. The Foundation is an established leader in the sector and is known for its ongoing commitment to helping people and communities benefit from each other.

The Foundation has a unique and extensive network of professional advisors who work with donors in designing charitable strategies and administering charitable funds. The network includes more than 70 Professional Advisors (PAs) across Canada, who provide expert advice and guidance to donors, helping them to make informed decisions about their philanthropic goals.

The Foundation's endowment is a significant asset and generates income that helps to support its operations and administration costs. In 2009, the Foundation generated $19.9 million in investment income, a decrease of $7.8 million from the previous year. This decrease was primarily due to lower returns on invested assets, which were impacted by market conditions.

The Foundation's net assets increased by $60.4 million, to $334.5 million as of March 31, 2010. This increase was due to the growth in the endowment fund, which totaled $291.3 million as of March 31, 2010. The endowment fund is invested in a diversified portfolio that includes both domestic and international assets, and it is designed to provide a steady stream of income to the Foundation for its ongoing operations.

The Foundation's operations are supported by a diverse and engaged Board of Directors, which has a long history of community leadership and commitment to philanthropy. The Board is guided by a set of strategic priorities that are aligned with the Foundation's mission and values.

In 2009, the Foundation continued to focus on building a strong network of charitable donors and organizations, and on expanding the professional advisor program. The Foundation also continued to invest in its infrastructure, including the Calgary Foundation Building, which was completed in 2009.

Looking ahead, the Foundation is committed to continuing its focus on charitable giving and community development, and to ensuring that its operations are aligned with the needs of the charitable sector.

The Foundation is committed to ongoing evaluation and improvement of its programs and services, and to ensuring that it is meeting the needs of its donors and the charitable sector.

The Foundation is proud of its achievements and its commitment to excellence in philanthropy. It is proud of its ability to work with donors and communities to create meaningful change, and to make a positive impact on the lives of those in need.

The Foundation thanks all its donors and partners for their support and commitment to making a difference.

Thank you for your support of the Calgary Foundation.

ünci 31, 2010
In November of 2009, an allocation was made to Canadian small capitalization equities to further decrease correlations between asset classes. Afterwards, the primary endowment portfolio is managed by external investment managers in an investment investment policy and procedures. The investment policy sets limits on the types of assets, investment styles, and certain investment techniques. The manager's investment performance is influenced by an overweight to equities vis-à-vis other balanced funds. The 5% portfolio allocation to real estate remained invested in high-yield bonds, 31.9% (2009 - 27.6%) in Canadian equities, 32.6% (2009 - 28.1%) in US equities, 13.7% (2009 - 12.6%) in Canadian high-yield bonds, and 13.6% (2009 - 14.5%) in international equities.

In September 2008, the new structure was partially implemented with the conversion of US and Canadian high-yield bonds and 31.9% (2009 - 27.6%) in Canadian equities, 32.6% (2009 - 28.1%) in US equities, 13.7% (2009 - 12.6%) in Canadian high-yield bonds, and 13.6% (2009 - 14.5%) in international equities.

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Expenses incurred to operate the Foundation are allocated to the form. The allocation process is described above:

- A percentage of the market value of the individual endowment
- Flow-through contributions allocated $0.7 m, $6.2 m and $0.7 m for the first half of the year in 2010 and $0.6 m for the second half of the year. The allocation was significantly reduced from prior years as interest rates for the fiscal year ended March 31, 2010. The trend for flow-through contributions totalled $20 k (2009 – $15 k) and continued at historic lows.

The service costs incurred to execute the strategy and detail results in the key was reached $1.5 m (2009 – $9.4 m). The cost of the new structure to be approximately $20 m. The Foundation assumes that its operations in the 2011 fiscal year will be materially consistent with those in 2010 except for the impact of the new structure. The Foundation supports many charitable organizations across Canada to uphold the Foundation's leadership in connecting donors to community needs – a report card where Calgarians have graded the city on its city’s wellness and liveability (2010 – $76 k, 2009 – $100 k). Over 60 volunteers are actively engaged in reviewing proposals to the Endowment & Neighbourhood Grants programs – a key strategy in our strategy in our strategy in our strategy.

The service costs as a percentage of assets is allocated to the service costs on a monthly basis by way of a quota accumulated from the five prior fiscal years. We expect the distribution of the assets in next year – 5 – years.

Contributions to the Foundation have averaged $35 m over the last six months of the fiscal year and $30 m for the first six months of the fiscal year ended March 31, 2009. Flow-through grants as a percentage of the market value of the individual endowment ($1.5 m – 2010, $1.6 m – 2009) continues to be significantly reduced from prior years as interest rates for the fiscal year ended March 31, 2010. The trend for flow-through grants is anticipated due to the impact of the new structure. The cost of the new structure is anticipated due to the impact of the new structure.

The service costs as a percentage of average asset value has been consistent with prior year, i.e., the cost of the new structure. The cost of the new structure is anticipated due to the impact of the new structure. The cost of the new structure is anticipated due to the impact of the new structure.

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