CALGARY FOUNDATION
FOR COMMUNITY, FOREVER

ANNUAL
FINANCIAL REPORT

year ended March 31, 2025

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Management’s Discussion and Analysis

For the year ended March 31, 2025

Management’s discussion and analysis (“MD&A”) is provided to enable a reader to assess our financial condition and results of operations for the fiscal year ended March 31, 2025, compared to preceding years. This MD&A should be read together with our audited financial statements and related notes and Auditor’s Report dated June 19, 2025.

The MD&A presented herein starts with an outline of the Calgary Foundation’s (the “Foundation”) Vision, Mission, and Values and addresses the 2025 financial results in the context of our strategy. The strategy is outlined for each of the five strategic “key result areas” and includes observations on the progress to date in each of those five result areas. Included is commentary on the Foundation’s ”capability to deliver those results” as well as observations on three key risks that have the highest potential negative impact on the Foundation’s long-term ability to carry out its mission.

All amounts (except activity, participation, or social media figures) are based on financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Foundation operates in accordance with the Calgary Foundation Act (Alberta, 1955, 2000) and bylaws and within the regulatory framework of the Income Tax Act (Canada), Canada Revenue Agency guidelines, and the Charitable Fund-raising Act and Regulations (Alberta). The Foundation has chosen to adopt Volunteer Canada’s Code for Volunteer Involvement and has sought, and obtained, accreditation under Imagine Canada’s Standards Program.

Forward-looking statements

This report contains forward-looking statements about certain matters that are, by their nature, subject to many risks and uncertainties which may cause actual results to differ materially from the statements made herein. Forward-looking statements include, but are not limited to, objectives, strategies, initiatives, and the outlook for the Foundation. Risks and uncertainties include, but are not limited to, changing markets, legislation, demographics and general economic factors or conditions, and other risks, known or unknown.

VISION, MISSION, AND VALUES

The Foundation’s vision is to build a healthy and vibrant community where everyone belongs.

The Foundation inspires philanthropy, supports the charitable sector, and builds a permanent endowment to address the current and future needs of people in the Calgary and area community.

In undertaking our mission, the Foundation knows the community, engages citizens, makes grants in order to make change across all not-for-profit sectors, and connects donors with the needs they care about.

Our core values are accountability, compassion, excellence, inclusiveness, and integrity.

Strategy and 5 Key Result Areas

Leadership in Community Building, Philanthropic Support, Public Confidence and Reputation, Financial Sustainability and Organizational Effectiveness are the five key result areas.

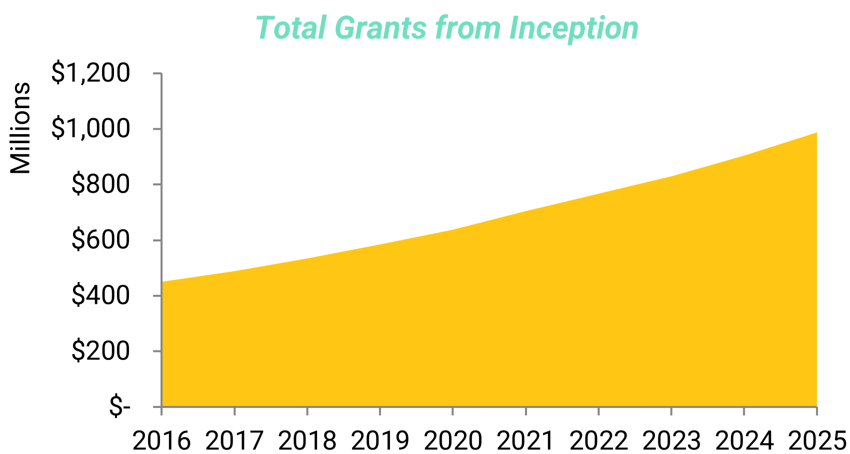
Leadership in Community Building

Desired Impact: Charitable sector is strengthened and citizens are engaged through the Foundation's grants, loans, and community initiatives.

Strengthening Charities

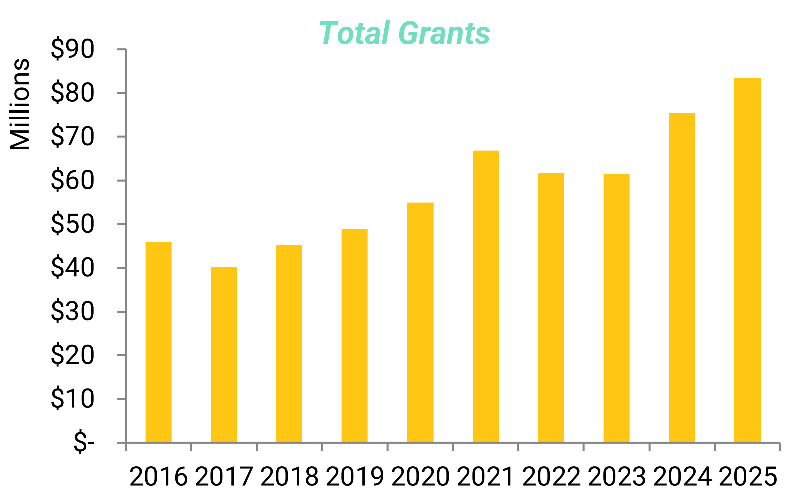
Grants

The Foundation provides grants to support all areas of the charitable community. Grants (including awards, scholarships, and bursaries) engage citizens in building their communities and strengthening charitable organizations, now and into the future.

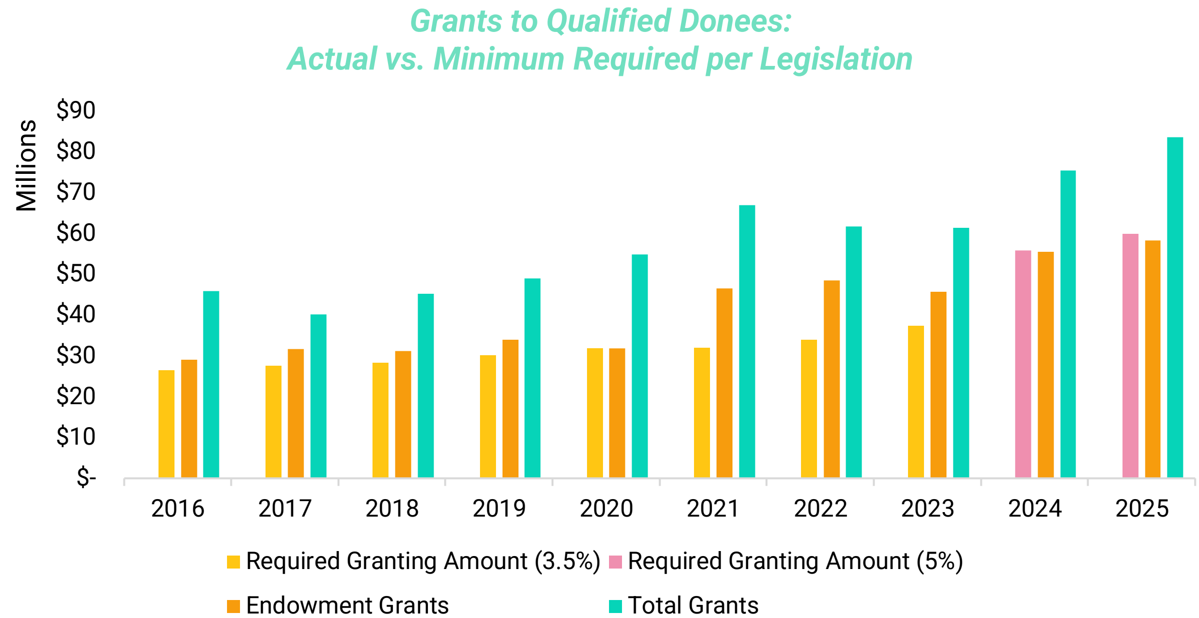


Endowments held in the Community funds (from which grants are made at the discretion of the Foundation) and Field of Interest funds (from which grants are restricted to an area, population, or region) allow the Foundation to be flexible and adaptive to emerging community needs responding to a need that may not have existed when the fund was created. Donor Advised funds (where the granting is recommended by the donor or their representatives) have flexibility to respond to changing community needs while Designated funds are, at the time of establishment, designated to benefit certain charities.

Since the Foundation's inception in 1955, the total dollar value of grants to the end of March 2025 is approximately $987.5 million (2024 – $904.0 million).



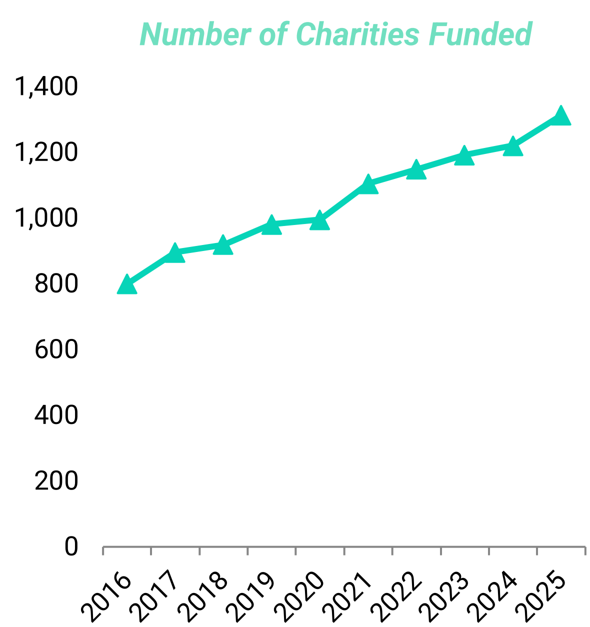
Leadership in Community Building



The Foundation makes grants to qualified donees, who are, in 96% of the cases, registered charities. The Income Tax Act (Canada) legislates a minimum percentage of the Foundation's assets that must be spent on grantmaking and other charitable work. Prior to 2024, when the minimum percentage was 3.5%, the amount spent on grants from endowments materially exceeded the legislated minimum. Currently, the aggregate amount of all grants in the fiscal year (whether from endowments or not) substantially exceeds the legislated minimum. The Foundation will continue to focus on preserving the purchasing power of endowments, maximizing financial support to the charitable community, and meeting the legislative requirements.

Capacity-Building

The Foundation provides support to qualified donees beyond grantmaking. The Foundation collaborates with others with similar mission, vision, and values, who build capacity by creating tools and resources to share across the sector. The Foundation applies a systems-thinking approach to its work through convening, facilitation, and formal learning opportunities for sector-serving organizations.



Leadership in Community Building

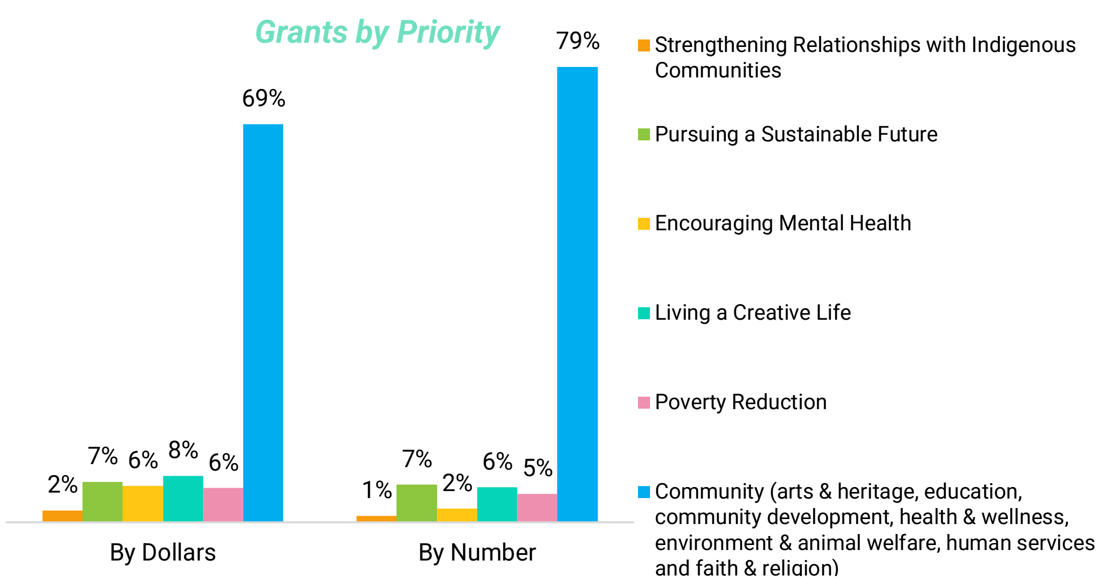
Vital Priorities

Over the past decades, the generosity of Calgarians has been the driving force behind the Foundation's growth in the number and amount of grants. The Foundation believes that with growth comes a responsibility to lead change both through its granting utilizing Community and Field of Interest funds and in assisting Donor Advised funds in selecting their recommendations. The Foundation is evolving into an entity that can identify a few key issues in the community and rally resources around these issues, which the Foundation calls Vital Priorities.

Though the Foundation has identified areas that require greater leadership, the work in these areas is not siloed, nor are these areas of focus the same for all donors. There are connections and crossovers amongst the issues the community faces. Priorities help focus some, but not all, of the Foundation's work. The Foundation continues with its 360° grantmaking process to reach into numerous corners of the community. Through multi-staged consultations and extensive analysis of research, five key issues were identified:

- Living Standards: Poverty Reduction
- Community Connections: Strengthening Relationships with Indigenous Communities
- Environment: Pursuing a Sustainable Future
- Arts: Living a Creative Life
- Wellness: Encouraging Mental Health

This year, the Foundation provided 806 grants (2024 – 814 grants) worth $24.8 million (2024 - $24.3 million) to specific initiatives that support the five Vital Priority areas. Differently this year, Living a Creative Life attracted the most financial support of the five Vital Priority areas, followed by Pursuing a Sustainable Future. The allocation of funding to all the charitable activities in the community in 2025 is broken down by Vital Priority and Community as follows:

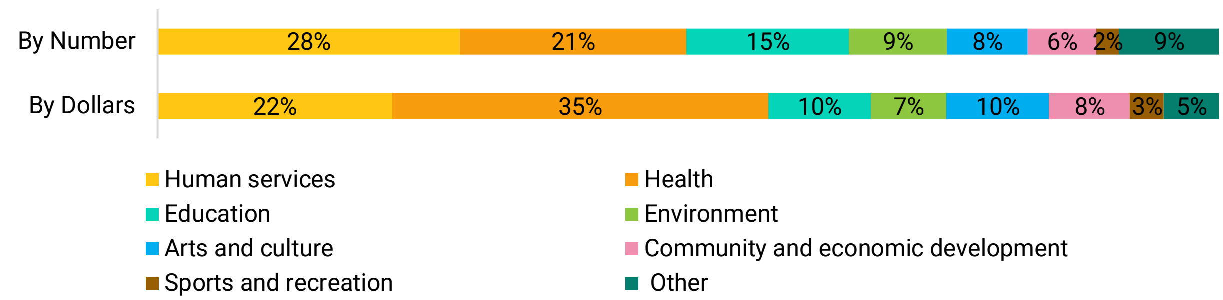


The majority of the granting to Vital Priorities comes from the Community and Field of Interest funds which comprise approximately 1/3 of the aggregate of the endowment. The remaining 2/3 of granting is from Donor Advised, Designated, and Flow Through funds (Flow Through funds are not endowed). (See Grants by Fund Type on the next page.)

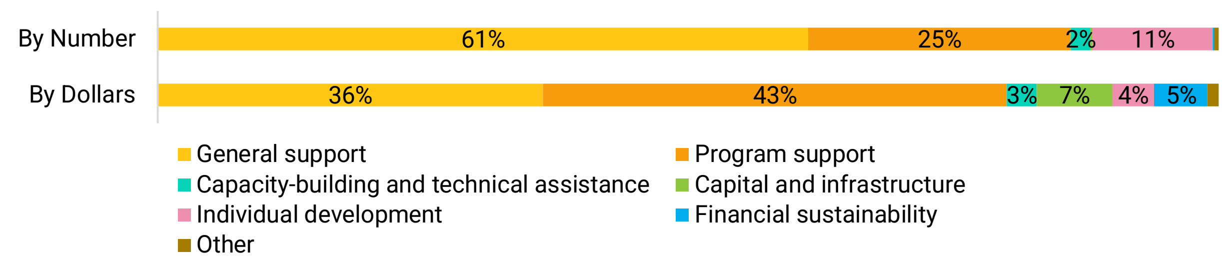
Leadership in Community Building

The following five sets of charts offer insight into the total amount granted across all sectors in fiscal 2025:

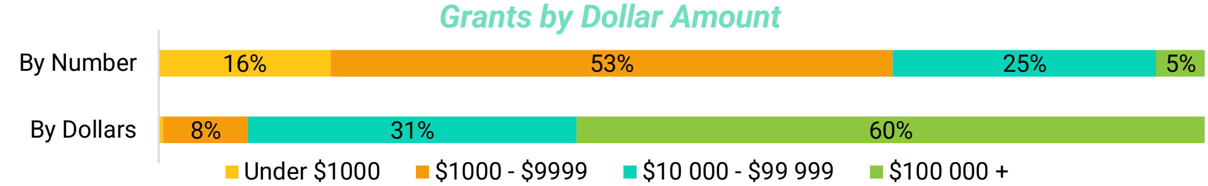
Grants by Sector



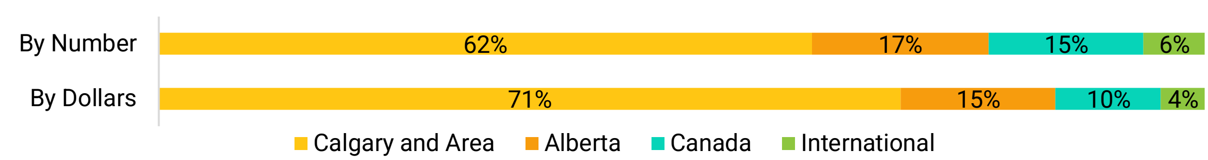
Grants by Type



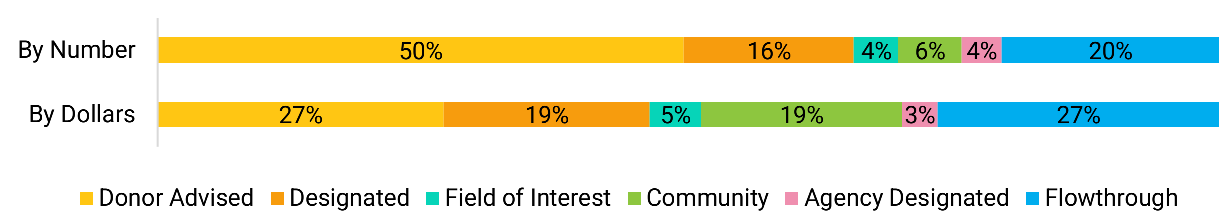
Grants by Dollar Amount



Grants by Geography



Grants by Fund Type

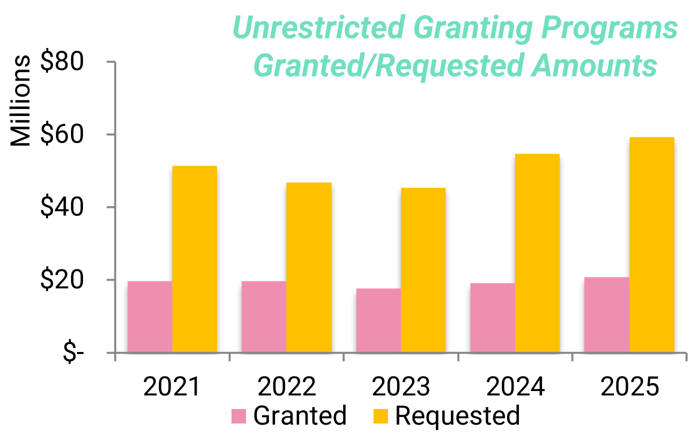


Leadership in Community Building

Unrestricted granting programs are typically funded by Community and Field of Interest endowment funds. Many of these programs are supported by committees of Foundation volunteers who, while representing the community, are responsible for reviewing and recommending grants. From time to time, additional financial resources from other available sources, such as Donor Advised, Designated, and Flow-through funds, may also contribute to unrestricted granting programs. Unrestricted granting programs are application-based, generally directed to new and emerging needs, and, in normal years, encompass the following:

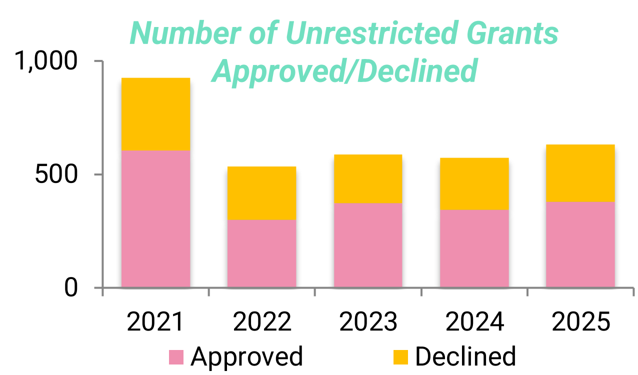
- Major Grants to assist charitable organizations in all areas of the charitable sector by providing single or multi-year support for large-scale initiatives with transformational impact that broadly enrich the community. Grants support local or national initiatives that positively impact Calgary and area by addressing major issues and encouraging participation in charitable activities from a great number of people as well as innovative partnerships and collaboration.

- Community Grants to strengthen all parts of the charitable sector and engage citizens in building their Calgary and area communities, which include Banff National Park, Canmore, Rocky View County, the Municipal Districts of Big Horn, Foothills, Kananaskis and Wheatland, and the surrounding First Nations of Treaty 7 territory.



- Daryl K. ("Doc") Seaman Amateur Sports Grants to support all aspects of amateur sports in Canada. Includes funding new initiatives that encourage young people to learn about, enjoy, and play amateur sport of all kinds as well as increase equal access and promote participation in community-based amateur sport.

- Strategic Opportunity Grants to support small, time-sensitive strategic initiatives that help charities to bring outside expertise into the organization to build capacity, strengthen board governance, or support professional development and/or advance their work by piloting a new program idea, testing an innovative enhancement to current program offerings, or improving outcomes for program participants.



- Grassroots Grants help people implement their own small acts of community, right in the communities where they live, by offering small amounts of money for project expenses.

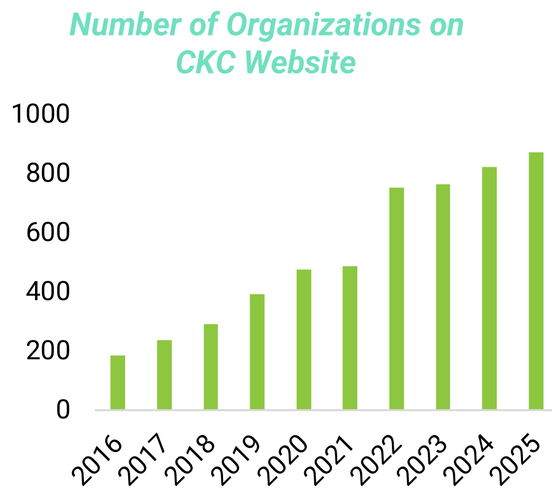
- Sherling Animal Welfare Fund accepts applications from Canadian registered charitable organizations operating in Alberta with a mandate of caring for animals and finding new loving homes for each adoptable animal.

Leadership in Community Building

Community Knowledge Centre

The Foundation's Community Knowledge Centre ("CKC") is a digital philanthropy hub that presents the work of registered charities and not-for-profits that serve Calgary and area. These organizations can upload their current needs, projects, and initiatives and highlight how donor support will help to address the greatest needs in our community. Since its inception in 2014, CKC has been a resource to share the Foundation's knowledge of community with donors, charitable organizations, media, and other key stakeholders.

As of March 31, 2025, CKC membership had grown to showcase 872 (2024 – 823) charitable and not-for-profit organizations, a 6% (2024 – 8%) growth from the previous fiscal year end.



Calgary's Quality of Life

Over a decade ago, the Foundation launched a Quality of Life report to use as a key resource to inform Vital Priorities work. Calgary's Quality of Life report combines citizen perception and current research (a survey of 1,000 Calgarians).

The calendar 2024 Quality of Life report highlighted:

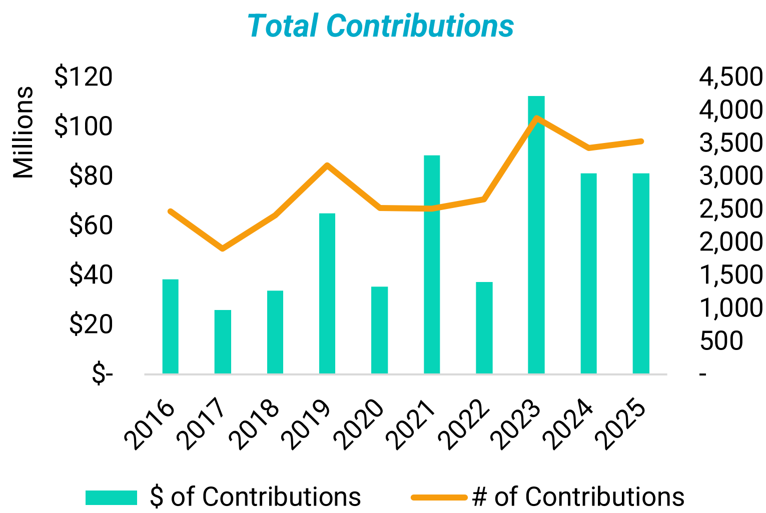
- The local cost-of-living challenges with housing costs at the forefront.
- charitable donations and volunteering hours have decreased.
- ratings of mental health have also decreased.
- racialized groups believe racism is growing.

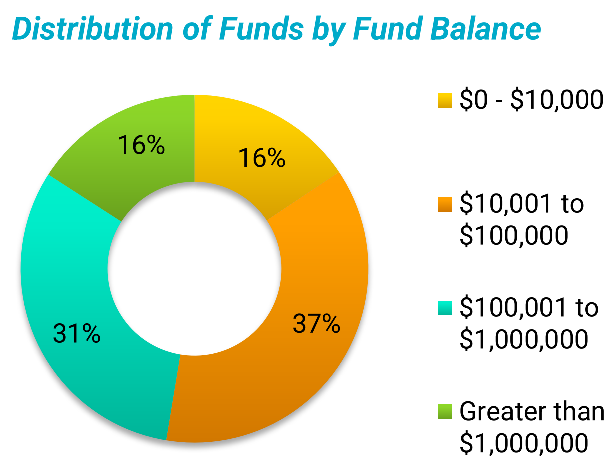
Even so, the survey indicates people continue to feel a sense of belonging and believe that art helps create a sense of belonging.

Philanthropic Support

Desired Impact: The Foundation is a trusted philanthropic partner, where fundholders feel informed, supported, and empowered to achieve their philanthropic goals. Potential donors, professional advisors, and charities recognize our unique value and are inspired to engage with us.

The Foundation works with donors and their families to support causes that are important to them year after year. To accomplish this the Foundation is committed to continuously building its expertise and service offerings to scale and deepen donor stewardship, community knowledge, charitable sector capacity building, and innovative philanthropy – such as impact investing – described in more detail below. The Foundation's customized relationship management model offers each donor family resources such as family philanthropy workshops, strategic philanthropy conversation starters and guides, as well as webinars and family newsletters depicting their experiences with multiple generations.





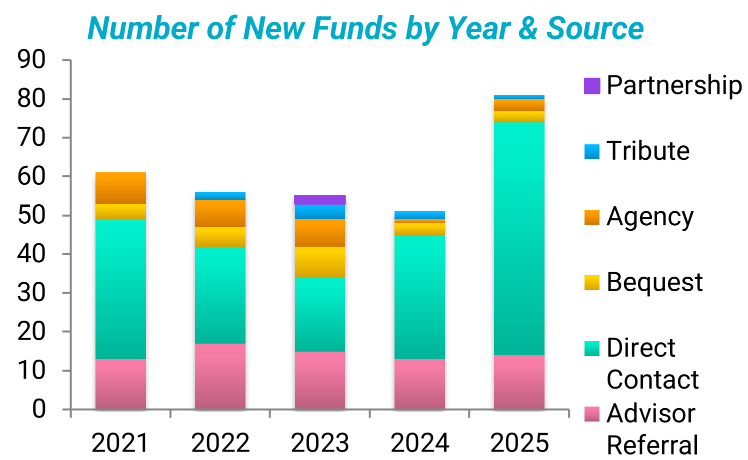
Professional advisors remain a major source of referrals of new donors. The Foundation is focused on growing relationships with professional advisors whose expertise in areas such as financial and estate planning, taxation, and wealth management might benefit from the added component of strategic philanthropic planning.

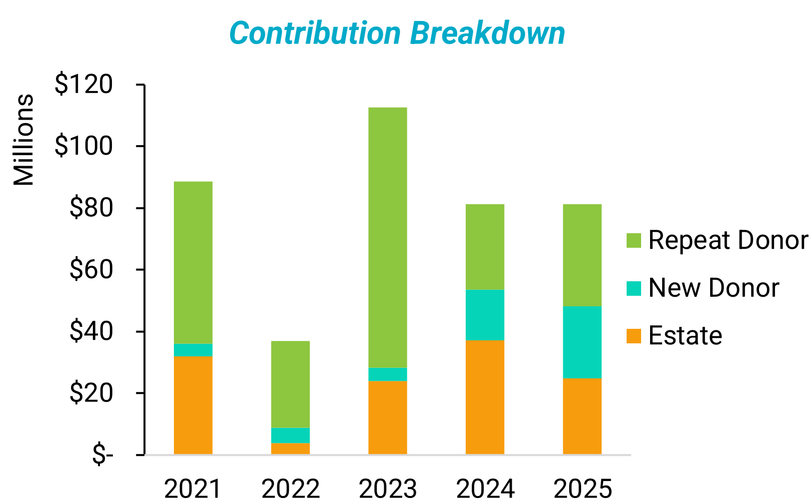
Philanthropic Support

The Foundation welcomes gifts of any size, knowing that each gift – the impact multiplied when endowed – can further the mission. Gifts of any amount can build existing funds.

The Foundation works with existing and potential donors to create funds in many and diverse ways that best suit each individual or organization. Direct contact with donors and referrals by professional advisors have been the primary sources of individual funds.

Approximately $24.8 million from a number of estate gifts were received in the year (representing 31% of the total amount of contributions) as compared to $37.1 million in 2024 (48% of contributions).





Public Confidence and Reputation

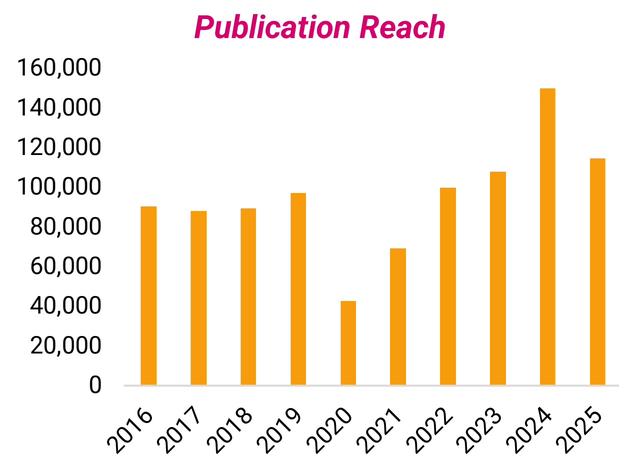
Desired Impact: Stakeholders and public know and value the Foundation as a strategic advisor in trust-based philanthropy, an impactful grantmaker and a knowledgeable community leader and convenor.

Events

As a leader and convenor, the Foundation regularly brings together engaged citizens, donors, community leaders, as well as not-for-profit and business organizations around issues important to community. The annual celebration event, Vital City, extols philanthropy and provides a Foundation year-in-review. The Changemaker Conversations, in partnership with Trico Changemakers Studio, are periodic gatherings for generative dialogue, meaningful connection and inspiration. The Foundation is bringing together community members and partners to have conversations on various social and environmental challenges with the intention to inspire new ways of knowing, being and doing.

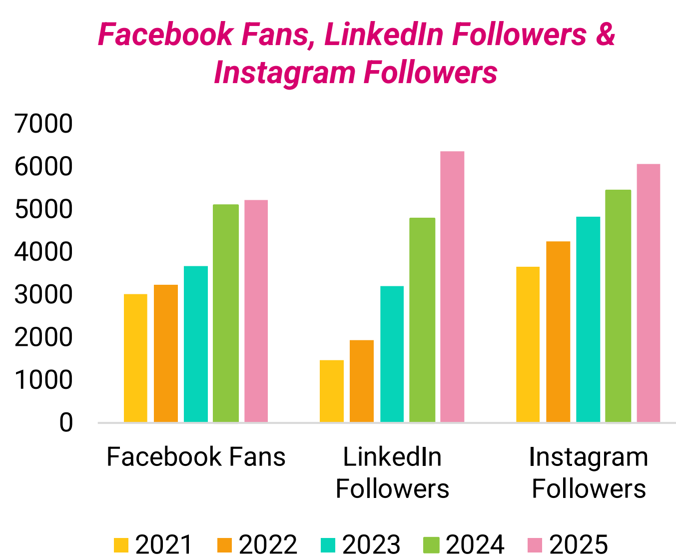
Publications

The Foundation's external print publications include the Annual Report, spur magazine, Calgary's Quality of Life report, and professional advisors' e-newsletters, among others. The goal of all external publications is to grow the profile of the Foundation through compelling reporting. By sharing relevant research on timely topics, along with inspiring stories of impact, the Foundation works to elevate the profile of organizations and individuals who contribute to a strong, vibrant charitable sector.



Social Media

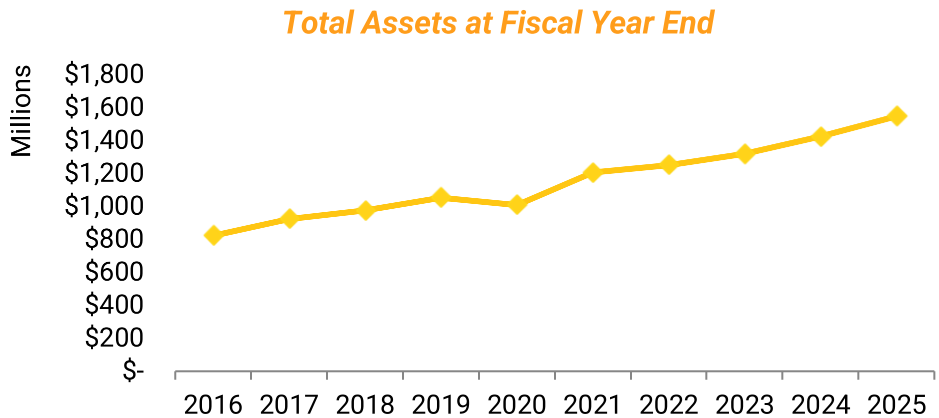
Social media platforms (Facebook, Instagram, and LinkedIn) are used for promotion and marketing of Foundation events, initiatives, and publications and are also tools to amplify the work of the charitable sector and broader community. The Foundation refines and customizes channels and content to meet the needs of the Foundation and the organizations it supports. The Foundation posts to these platforms daily to promote upcoming events, support partner organizations, and generate conversations with followers.



The role of the website in communicating the Foundation's role and impact has become increasingly important. Site visitors can access a donor and fund contact portal (DonorCentral), online grants and student awards portals, as well as make donations to existing funds.

Financial Sustainability

Desired Impact: Community support is maximized through an investment strategy that seeks to preserve the endowment's purchasing power.



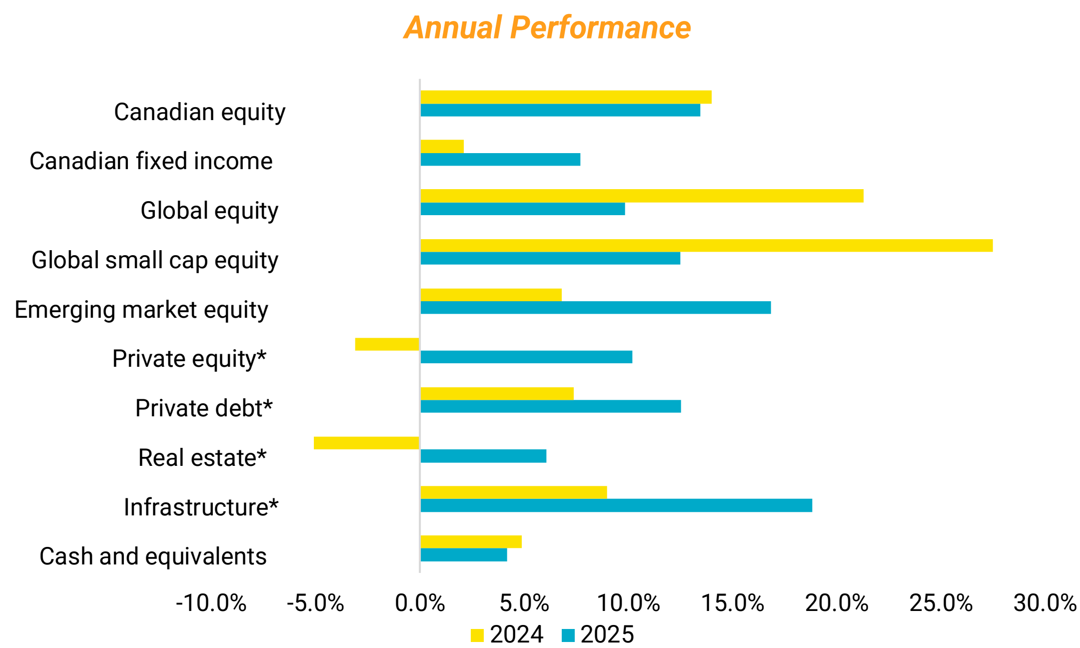
Investments

The Foundation has a robust management and governance structure in place to monitor and maintain the primary endowment portfolio (the "Endowment") of $1,386.6 million at March 31, 2025, which represents 90% of the charity's total assets (2024 – $1,276.5 million, 90%). The Foundation's primary objective is to earn a long-term rate of return that preserves the Endowment's purchasing power while maximizing financial support to charities.

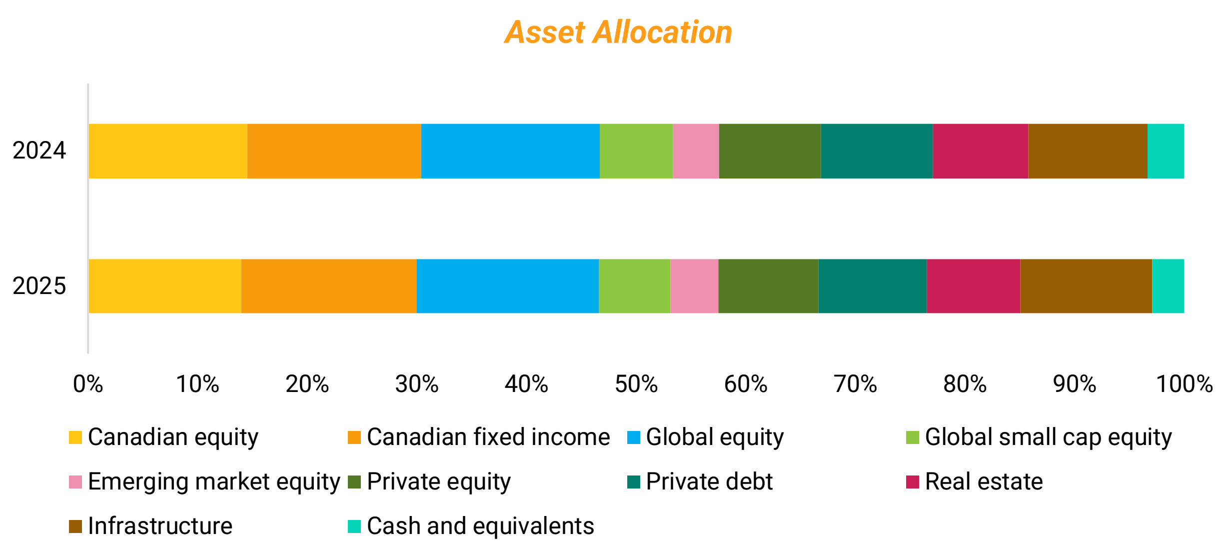
The Foundation recognizes that executing its strategy involves taking on some risks, given the uncertainties and complexities of investing in capital markets. Therefore, it uses the expertise of external investment managers who operate in accordance with the Statement of Investment Policy (the "Policy"). The Policy outlines the objectives and principal governance for prudent investment of the Endowment, employing a total return strategy that combines capital gains with income sources to achieve the long-term return objective.

Environmental, Social, and Governance ("ESG") and Diversity, Equity, and Inclusion ("DEI") analysis are part of the Foundation's investment process, serving as tools for risk mitigation and mission alignment. In 2017, the Foundation began integrating ESG considerations into its investment policy and adopted an engagement approach to monitor investment managers' responsible investment and proxy voting policies. By 2019, ESG and DEI analysis became one part of the manager hiring process, and in 2020, formalized annual reviews of managers' governance structures and policies were included in the oversight process. In 2021, the Foundation initiated an annual review of proxy votes to inform manager meetings and formal reviews. Today, these annual reviews continue, alongside tracking ESG practices, and discussing issues with managers.

Financial Sustainability



*Annual returns are net of investment management and performance fees in respect to the private investments in debt, real estate, infrastructure, and private equity.



Financial Sustainability

Endowment Portfolio Performance

The Endowment's internal performance benchmark is a weighting of indices based on the [strategic asset mix] outlined by the Policy. The chart represents the one to ten-year annualized performance for the period ending March 31, 2025.

	1	2	3	4	5	6	7	8	9	10
Primary Endowment Portfolio	11.4%	10.1%	7.5%	7.7%	9.6%	8.1%	8.0%	7.9%	8.6%	7.7%
Policy Benchmark**	11.4%	11.8%	9.3%	8.5%	10.6%	8.5%	8.2%	7.9%	8.4%	7.5%

Number of Years ended March 31, 2025

*Annualized returns are net of investment management and performance fees in respect to the private investments in debt, real estate, infrastructure, and private equity.

**Policy Benchmark: 10.0% S&P/TSX Capped Composite, 5.0% MSCI World Small Cap (net), 15.0% MSCI World (net), 5.0% MSCI Emerging Markets (net), 16.0% FTSE Canada Universe Bond, 25.0% Real Assets (CPI + 4%), 12% Private Equity (MSCI World Net +2%), 10% Private Debt (SOFR + 5%), and 2.0% FTSE Canada 91-Day T-Bill.

The Endowment ended the fiscal year with a return of 11.4%, aligning with its policy benchmark and outpacing the median Canadian balanced fund by 1.0%. All asset classes contributed positively over the year, and the Endowment was in line with its long-term investment objective.

The 2025 fiscal year was marked by a blend of optimism and uncertainty, with global market movements driven by technological advancements, geopolitical events, and evolving economic policies. Global equity markets reached historic highs by late 2024, propelled by strong corporate earnings and investor optimism, particularly in US technology stocks. The "Magnificent 7" (Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla) led the charge as investor enthusiasm grew over the potential of artificial intelligence. Internationally, the Bank of Japan ended its negative interest rate policy, raising rates for the first time since 2007. Meanwhile, China implemented fiscal and monetary policies to stabilize its economy amid a slowing property market and trade tensions. In the US, the election of a new administration in November 2024, coupled with interest rate cuts by the Federal Reserve, influenced market sentiment with expectations of a pro-business economic environment. However, sentiment shifted dramatically when tariffs triggered widespread market volatility and trade disruptions, leading to a highly volatile and uncertain global economic outlook. Domestically, Canada's economy during the fiscal year was characterized by steady economic growth, strong stock market performance, significant shifts in trade dynamics, and a stable monetary policy environment.

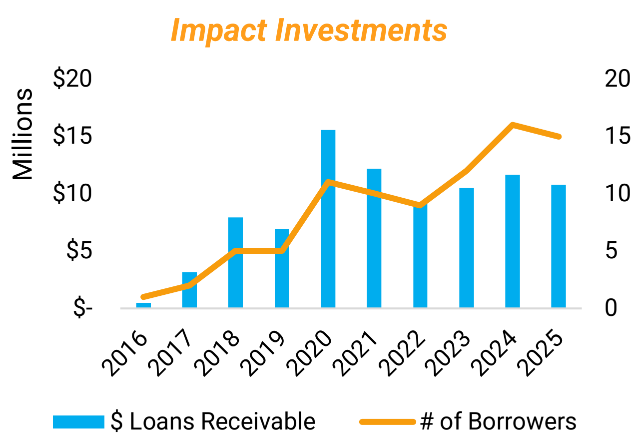
Financial Sustainability

Looking ahead, uncertainty surrounding US trade policy will continue to influence global market volatility and could potentially slow growth. The risk of recession is increasing, but its likelihood depends on the severity and duration of the evolving trade war. In the short term, there is uncertainty regarding specific tariff decisions, retaliation plans, negotiation outcomes, government stimulus measures, and monetary support, all of which will impact global economic growth and inflation. The imposition of US tariffs on Canadian products has impacted trade and led to disruptions that have yet to be fully recognized.

Regardless of these short-term uncertainties, the Endowment is invested for the long term and expected to weather market fluctuations. It is a well-diversified portfolio designed to be resilient across various economic conditions when compared to public equity market indices. During periods of heightened volatility, the Endowment is structured to minimize the probability of a market drawdown as severe as that experienced by a portfolio fully invested in public equities. Additionally, the Foundation seeks managers who have experience investing through various economic cycles and a track record of preserving capital during economic distress relative to their benchmark and peers. Furthermore, recently, the Endowment has reduced exposure to public equity in favour of Canadian fixed income investments, given higher interest rates, and private investments in infrastructure, which can provide a hedge against inflation. The Foundation also conducts regular liquidity planning to ensure the Endowment has sufficient liquid assets to meet cash obligations during economic downturns. A well diversified portfolio spread across various asset classes, sectors, geographies, and strategies, like the Endowment, can mitigate the impact of adverse events.

Impact Investments

The Foundation's Impact Investment Program provides debt financing to Calgary and area charities and not-for-profit organizations working in all parts of the community. The program augments investments from traditional financial institutions or lends to organizations with credit capacity but who are unable to secure financing from a bank or other financial institution. The Foundation offers flexible terms, and repayment plans at interest rates proportional to risk.



As of March 31, 2025, the Foundation has loaned $31.6 million (2024 – $30.8 million) to Calgary charities and not-for-profits since the program's inception. The Foundation has $1.0 million (2024 – $0.5 million) earmarked for loans to specific charities and has received $23.0 million (2024 – $21.5 million) in principal and interest payments since the program's inception to this fiscal year end. There were no loan losses on any of the Impact Investments.

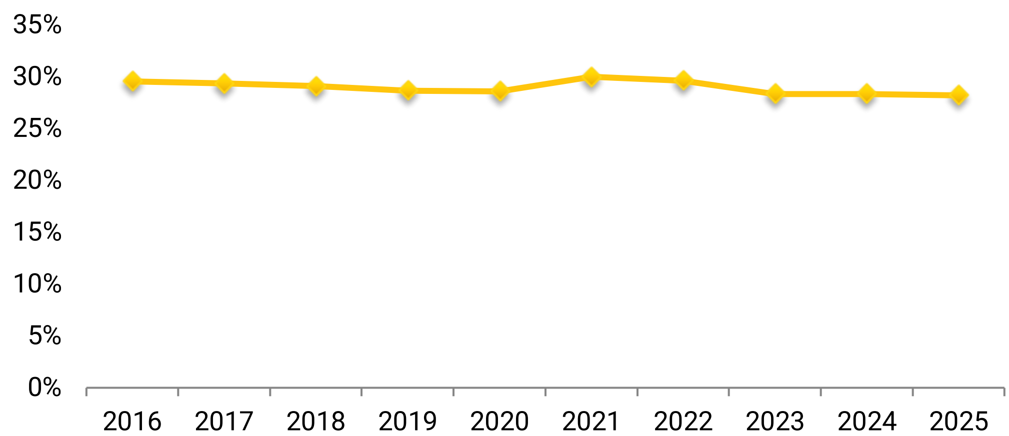
Application volume was slightly lower than historical averages in 2024-25. The program experienced interest from a similar number of borrowers as during the prior year, when it saw peak demand. Many anticipated financing needs did not materialize based on varied project-specific circumstances. Three applications were underwritten, resulting in two new loans and one commitment (funds expected to be issued in 2025-26). Three loans were repaid in full – one on schedule, and two early repayments.

Financial Sustainability

Unrestricted endowed funds

Attention is paid to the distribution of assets across the various types of funds. Community and Field of Interest funds, which are not restricted and are granted at the full discretion of the Foundation, have historically represented a significantly smaller percentage of the total assets than funds established to support a designated charitable organization or in which the advice of donors is sought.

Unrestricted Assets as a Percentage of Total Assets



Organizational Effectiveness

Desired Impact: Sound management, strong governance, healthy workplace, and continuous learning support the achievement of goals where employees and volunteers work as a team and thrive.

As a community foundation, the Foundation is committed to building a society where everyone feels they belong. This means the Foundation has a responsibility to learn and implement beneficial change across the organization, as well as to influence change more broadly within the Calgary community. Recommendations from the 2021 racial equity audit continue to be implemented, with the goal to embed racial equity and reconciliation in the culture of the organization.

Service Costs

The service costs are distinguished for management purposes between service costs (e.g. donor engagement, communications, accounting, computer support, general and administrative, and related management), investment management costs (e.g. investment management fees for publicly traded securities, custodian, performance measurement, and related management), and direct charitable activity costs (e.g. granting programs, proactive community leadership, and related management). Combined, these costs totalled $13.6 million ($12.6 million in 2024).

	($ in thousands)			
	2025	**%**	**2024**	**%**
Salaries and benefits	$6,655	49	$6,252	50
Investment management and custodial fees	2,887	21	2,723	22
Development and communications	1,140	9	1,027	8
Other	2,872	21	2,589	20
	$13,554	100	$12,591	100

Investment management fees for private investments in debt, real estate, infrastructure, and private equity are not included in the investment management and custodial fees disclosed in the financial statements (as these fees are levied within the investment vehicle rather than charged directly to the Foundation). These fees total approximately $5.7 million or 1.07% of the average value of the private investments (prior year – $5.6 million or 1.14%).

The Foundation's contractual arrangements with its private investment managers include a performance fee payable only when the managers' return performance exceeds an agreed upon benchmark return. Similarly, these fees are not included in the investment management and custodial fees disclosed in the financial statements due to being levied within the investment vehicle. These performance incentive fees total $6.9 million or 1.3% of the average value of the private investments (prior year – $1.5 million or 0.30%).

These costs are reported in the financial statements of each underlying partnership and are netted against the revenues reported on the Foundation's Consolidated Statement of Operations and Changes in Foundation Funds. The Foundation reports the net asset value and performance figures for each private asset class.

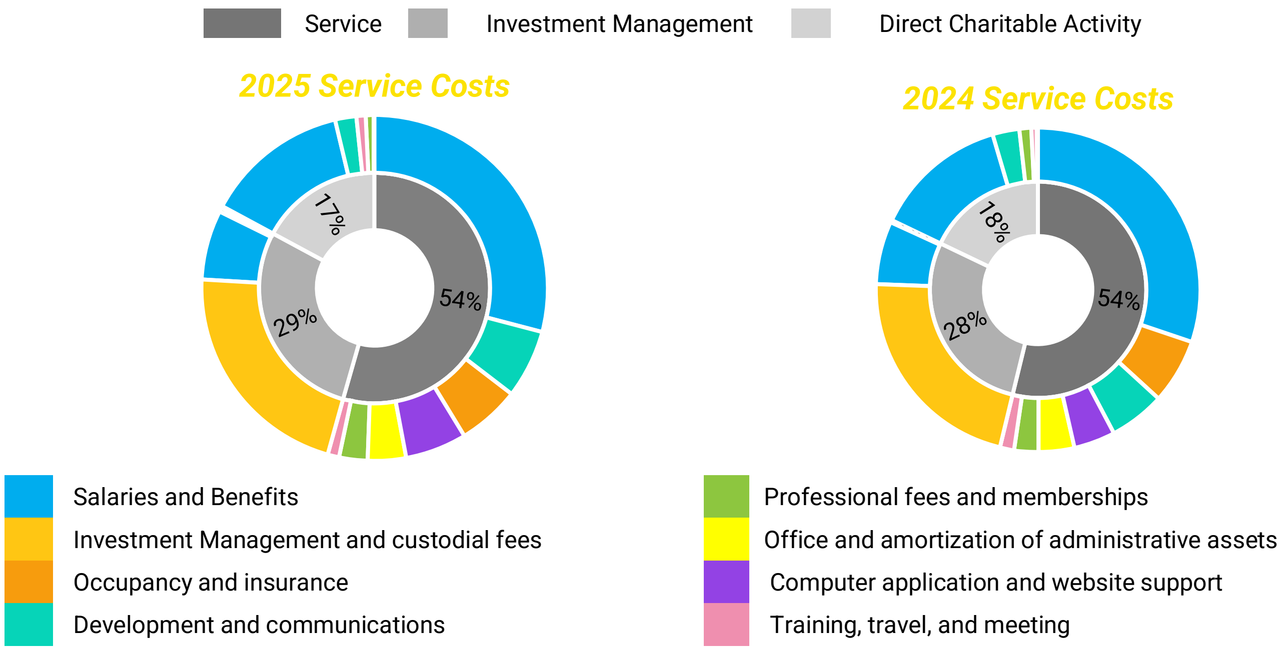
The service (e.g. donor engagement, communications, accounting, computer support, general and administrative, and related management) and investment management costs (e.g. investment management fees for publicly traded securities, custodian, performance measurement, and related management) incurred to operate the Foundation that are not directly attributable to a particular gift are recovered from the funds. A tiered cost recovery schedule is applied to the market value of the individual endowment funds to pay for these costs.

Direct charitable activity costs (e.g. granting programs, proactive community leadership, and related management) are funded from the grant amounts available to spend from Community and Field of Interest funds.

Organizational Effectiveness

The costs of administration are recovered from funds administered for others.

Interest earned on the money market instruments and fixed income securities, in which flow-through contributions are invested, totalled $3.5 million (2024 – $4.0 million). The growth was driven by the rise in interest rates and the increased balance of flow-through contributions. This interest revenue will be used to augment the funds available for unrestricted granting programs.



Capability to deliver results

Assets

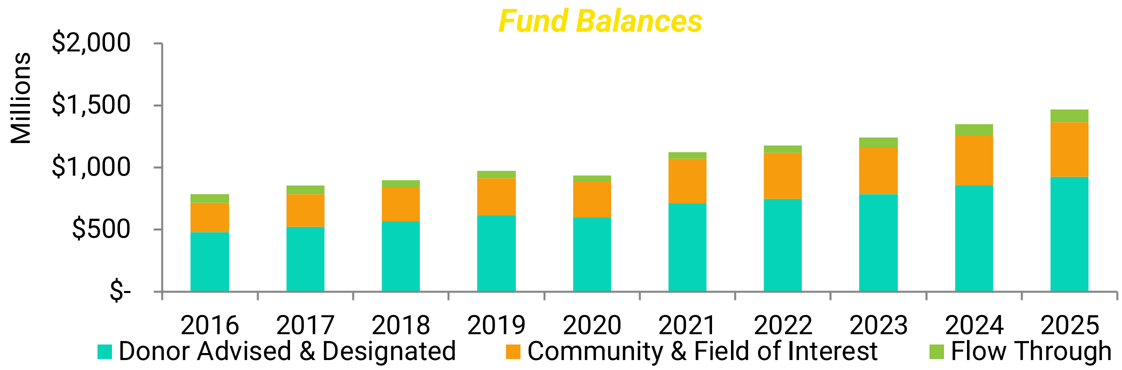
The Foundation's total assets under administration as at March 31, 2025 totalled $1,547.3 million as compared to $1,424.5 million at March 31, 2024. The majority of total assets are comprised of investments (92%, 2024 – 93%).

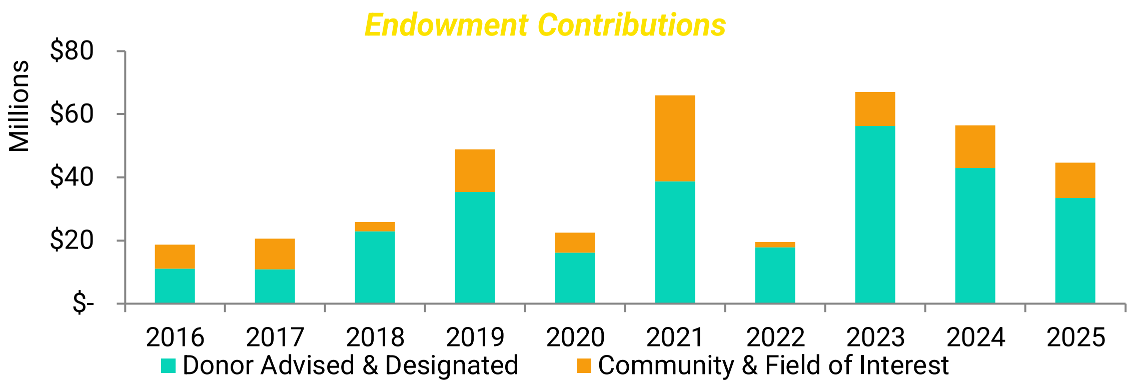
The Foundation has a strong financial position at March 31, 2025 and is capable of continuing to work towards its vision and executing on its strategy, even in the face of significant economic and market volatility. The Board of the Foundation has approved an internal reserve fund balance (calculated as a percentage of service costs) to provide protection if market volatility impairs investment returns.

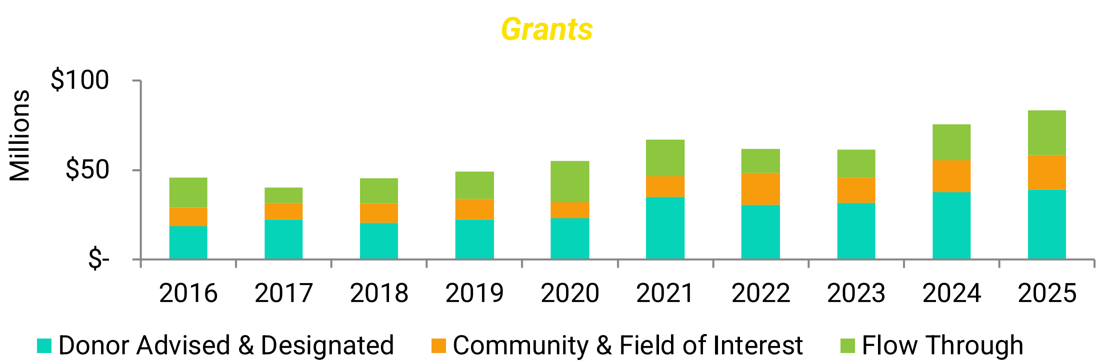
Contributions and Grants

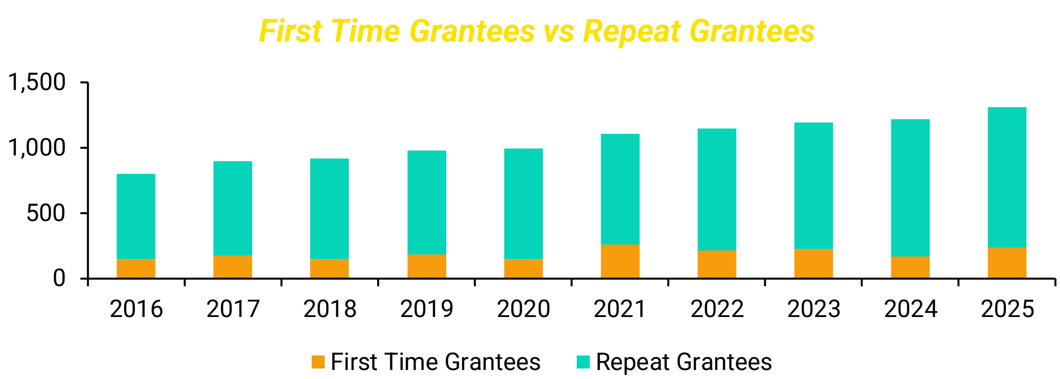
Further analysis of fund balances, or equity, endowment contributions and grants illustrates the allocation by Community (from which grants are made at the discretion of the Foundation) & Field of Interest (from which grants are restricted to an area, population, or region), Donor Advised & Designated from which grants are directed to charitable organizations with the advice of donors or designated at the time the fund is established, respectively, and non-endowed Flow-through funds from which grants are also directed to charitable organizations with the advice of donors.

Endowment contributions in 2025 were $11.7 million less than the prior year. Contributions are variable year-to-year as they are subject to the timing decisions of donors and life events.


Fund Balances
Millions
$2,000
$1,500
$1,000
$500
$-
2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Donor Advised & Designated
Community & Field of Interest
Flow Through


Endowment Contributions
Millions
$80
$60
$40
$20
$-
2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Donor Advised & Designated
Community & Field of Interest


Grants
Millions
$100
$50
$-
2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
Donor Advised & Designated
Community & Field of Interest
Flow Through


First Time Grantees vs Repeat Grantees
1,500
1,000
500
0
2016 2017 2018 2019 2020 2021 2022 2023 2024 2025
First Time Grantees
Repeat Grantees

Enterprise Risk Management and Top Risks

In the normal course of business, the Foundation follows a structured approach to enterprise risk management. Each year, the Foundation updates a risk register as to consequence and likelihood and focuses on the top ten risks and ensures that mitigation plans are in place for the risks.

Considering existing mitigating factors such as strong investment and financial controls, resource allocation to technology, organization-wide attention to strategic planning and governance oversight, three specifically identified risks have been rated as having the highest potential negative impact on the Foundation's long-term ability to carry out its mission:

Reputational Risk: Brand Management

Media and social media relations are at the centre of reputational crisis management. The Foundation has a strong history of professional, accurate social media communication and has built healthy relationships with key media contacts over the years. The Foundation has a formal crisis communications strategy in place to monitor and assess issues as they relate to the Foundation's reputation. The adoption of a social media governance policy, and, new this fiscal year, social media community guidelines and an operational policy, has bolstered the mitigation strategy.

Reputational Risk: Polarization and Politicization

Increasingly, issues in the community are being politicized and debates are polarizing people. As a community foundation, we exist to serve all people. Our "Big Tent" approach leaves us vulnerable to criticism from both ends of the spectrum. Some stakeholders may view our approach as doing too little while others consider the same approach to be doing too much. To mitigate the risk that our community work becomes ineffectual because of this schism, we strive to bridge gaps and build mutual respect across all groups. We clearly articulate and communicate our vision, mission, and values and remain committed to allowing those values to drive our actions. Administratively, a governance policy on 'influencing public policy' was recently adopted that outlines parameters and guidelines for influencing public policy when it falls within the scope of the Foundation's business. Otherwise, with the intention to stay non-partisan and apolitical, the Foundation provides funding to qualified donees doing policy work. A policy offering guidance on political activity for staff has been in place for a number of years.

Financial Risk: Investment Market

Given that the investments represent 92% of the total assets at March 31, 2025 (2024 – 93%), market volatility (and changes in economic conditions) is one of the three highest rated risks faced by the Foundation. The Foundation understands that market risks are necessary to ensure the preservation of the purchasing power of the primary endowment portfolio by seeking returns from financial assets that are greater, in the long run, than the minimum percentage of the Foundation's assets that must be spent on grantmaking and other charitable work, an allocation of expenses, and the rate of inflation. The Foundation attempts to mitigate outsized fluctuations by portfolio design, governance and operational policies, and active oversight by the Investment Committee and management.

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INDEPENDENT AUDITOR'S REPORT

To the Directors of the Calgary Foundation

Opinion

We have audited the consolidated financial statements of the Calgary Foundation (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2025
- the consolidated statement of operations and changes in foundation funds for the year then ended
- the consolidated statement cash flows for the year then ended
- and notes to the consolidated 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, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian 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 auditor's report thereon, included in "Management's Discussion and Analysis".

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.

We obtained the information, other than the financial statements and the auditor's report thereon, included in Management's Discussion and Analysis as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

June 19, 2025

THE CALGARY FOUNDATION
Consolidated Statement of Financial Position

As at March 31, 2025, with comparative figures for 2024
(thousands of dollars)

		2025		2024
Assets (note 3)				
Current assets:				
Cash and cash equivalents	$	112,649	$	81,390
Prepaid expenses		211		214
Accrued investment income		838		1,527
Current portion of loans receivable (note 5)		961		454
		114,659		83,585
Investments (note 4)		1,425,862		1,328,561
Loans receivable (note 5)		9,788		10,695
Other assets (note 6)		1,406		1,689
	$	1,551,715	$	1,424,530
Liabilities and Foundation Funds				
Current liabilities:				
Accounts payable and accrued liabilities	$	1,972	$	2,096
Grants payable		10,807		10,798
Deferred flow-through grants		102,836		89,616
		115,615		102,510
Non-current grants payable		1,083		993
Funds administered for others (note 7)		79,944		74,189
Foundation funds:				
Community		342,055		317,232
Field of Interest		82,452		76,246
Donor Advised		556,464		502,914
Designated		374,102		350,446
		1,355,073		1,246,838
Commitments and contingency (notes 8 and 10 (c))				
	$	1,551,715	$	1,424,530

See accompanying notes to consolidated financial statements.

On behalf of the Board:

______________________ Director ______________________ Director

THE CALGARY FOUNDATION

Consolidated Statement of Operations and Changes in Foundation Funds

Year ended March 31, 2025, with comparative figures for 2024
(thousands of dollars)

	Community & Field of Interest	Donor Advised & Designated	Flow-through	Total 2025	Total 2024
Revenue					
Contributions	$ 11,216	$ 33,455	$ 36,553	$ 81,224	$ 81,134
Interest and dividends	13,555	24,029	839	38,423	37,260
Realized capital gains (losses), net	6,915	18,287	(66)	25,136	74,676
Unrealized capital gains (losses), net	21,828	50,965	5	72,798	(7,883)
Other (note 7)	949	–	–	949	911
Total revenue	54,463	126,736	37,331	218,530	186,098
Expenditures					
Grants	(19,173)	(39,065)	(25,264)	(83,502)	(75,431)
Service costs, net (note 9)	(4,431)	(8,819)	(323)	(13,573)	(12,591)
Total expenditures	(23,604)	(47,884)	(25,587)	(97,075)	(88,022)
Transfers	170	(1,646)	1,476	–	–
(Increase) in deferred flow-through grants	–	–	(13,220)	(13,220)	(6,454)
Change during the year	31,029	77,206	–	108,235	91,622
Balance, beginning of year	393,478	853,360	–	1,246,838	1,155,216
Balance, end of year	$ 424,507	$ 930,566	$ –	$ 1,355,073	$ 1,246,838

See accompanying notes to the consolidated financial statements.

THE CALGARY FOUNDATION

Consolidated Statement of Cash Flows

Year ended March 31, 2025, with comparative figures for 2024
(thousands of dollars)

	2025	2024
Cash provided from (used in):		
Operating activities:		
Change in Foundation funds	$ 108,235	$ 91,622
Change in deferred flow-through grants	13,220	6,454
Change in funds administered for others (note 7)	5,755	(1,602)
Change in funds	127,210	96,474
Change in non-current grants payable	90	793
Items not involving cash:		
Realized capital gain on sale of investments	(26,705)	(79,409)
Unrealized capital loss (gain) on investments	(77,222)	8,497
Contributions of non-cash gifts	(21,397)	(14,441)
Amortization of leasehold improvements and administration assets (note 9)	344	350
	2,320	12,264
Changes in non-cash working capital:		
Prepaid expenses	3	(59)
Accrued investment income	689	(754)
Accounts payable and accrued liabilities	(124)	346
Grants payable	9	3,341
	2,897	15,138
Investing activities:		
Proceeds of life insurance policy	675	–
Purchase of leasehold improvement and administration assets	(34)	(32)
Loans receivable	(760)	(3,329)
Repayment of loans receivable	1,160	2,634
Gifted corporation dividend	4,000	–
Proceeds from sale of endowment investments	191,756	304,932
Proceeds from sale of flow-through investments	19,400	17,100
Purchase of endowment investments	(177,815)	(310,892)
Purchase of flow-through investments	(10,020)	(26,027)
	28,362	(15,614)
Net increase (decrease) in cash and cash equivalents	31,259	(476)
Cash and cash equivalents, beginning of year	81,390	81,866
Cash and cash equivalents, end of year	$ 112,649	$ 81,390

See accompanying notes to the consolidated financial statements.

1. Calgary Foundation (the “Foundation”)

(a) Description of the Foundation

The Foundation was incorporated in 1955 by The Calgary Community Foundation Act (now the Calgary Foundation Act) of the Legislative Assembly of Alberta. The Foundation is a registered charity classified as a public foundation under the Income Tax Act (Canada) and accordingly is exempt from income taxes and can issue donation receipts for income tax purposes.

The Foundation’s financial statements are prepared using Canadian accounting standards for Not-For-Profit Organizations in accordance with part III of the Chartered Professional Accountants (“CPA”) Canada Handbook.

(b) Foundation funds

The capital of the Foundation is comprised of funds for which the Board seeks varying degrees of donor input on grant distribution.

Community & Field of Interest

These are endowment funds from which grants are directed to new and emerging needs of the community at the discretion of the Foundation. Field of interest fund grants are restricted by the donor to a charitable area, population, or region at the time the fund is established.

Donor Advised & Designated

Donor advised funds are endowment funds from which grants are directed to charitable organizations with the advice of donors. Designated funds are endowment funds from which grants are directed to charitable organizations designated by the donor at the time the fund is established.

Flow-through

These are funds from which grants are directed to charitable organizations with the advice of donors. These funds are not endowment funds. Deferred flow-through grants arise from contributions to flow-through funds received prior to, and not granted at, fiscal year end, adjusted for investment gains and losses and service costs, if applicable. These amounts are deferred and recorded as a liability until the related grants are designated and paid.

(c) Funds administered for others

These are funds owned by other charitable organizations and pooled with Foundation assets for investment purposes.

2. Significant accounting policies

(a) Principles of consolidation

The consolidated financial statements include the financial statements of the Foundation and The Calgary Foundation Investment Trust. The Calgary Foundation is the sole beneficiary of The Calgary Foundation Investment Trust, a trust established on August 6, 2009. On consolidation, all transactions and balances between the Foundation and The Calgary Foundation Investment Trust have been eliminated.

The Foundation is the owner of all of the shares of a for-profit company. The investment in the company is accounted for using the equity method as prescribed by part III of the CPA Handbook.

The Foundation is the beneficial owner of all of the shares of certain other registered charities. The Foundation has the ability to appoint the majority of these organizations' boards of directors. The accounts of these controlled organizations have not been consolidated with the accounts of the Foundation in these financial statements. Instead, the Foundation discloses financial information about these controlled organizations as prescribed by part III of the CPA Handbook (note 10). These controlled organizations follow the deferral method of accounting for contributions.

(b) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments trading on a recognized public stock exchange are initially recognized at the transaction price and subsequently measured at fair value as established by the closing price. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. Alternative investments (private investments in debt, real estate, infrastructure, and private equity), typically structured as limited partnerships, are subsequently measured at fair value as determined by the external investment manager using accepted industry valuation methods approved by the general partner and reported on the limited partnership's annual audited financial statements in the local currency.

When the date of an alternative investment's audited financial statements does not coincide with the Foundation's fiscal year end, the fair value recorded by the Foundation includes adjustments for the cash flows for the intervening period including capital called, capital returned, income received, gains (losses) realized, and fees and expenses paid. The change in fair value, if any, between the date of the audited financial statements for the alternative investments and the Foundation's fiscal year end is recognized to the extent such changes are known and can be quantified. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Foreign currency translation

Investments and accrued investment income denominated in foreign currencies are translated to Canadian dollars at the exchange rate in effect on the date of the statement of financial position. Investment income denominated in foreign currencies is translated to Canadian dollars at the exchange rate in effect when realized.

(d) Revenue recognition

Interest on bonds and short-term notes is recorded as earned on an accrual basis. Dividends that have been declared are recorded as income on the date of record set for the dividend. Realized capital gains and losses are recorded in the statement of operations when earned. Unrealized capital gains and losses are calculated and recorded in the statement of operations at year end.

(e) Contributions

The Foundation follows the restricted fund method of accounting for endowment and flow-through contributions. Contributions are recognized when the amount can be reasonably estimated and collection is assured. Flow-through contributions not distributed in the year of receipt are recorded as a liability until the grants are made.

(f) Leasehold improvements and administrative assets

The Foundation amortizes leasehold improvements and administrative assets as follows:

Administrative assets	3 to 5 years
Leasehold improvements	10 years

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and temporary investments with original maturities of three months or less.

(thousands of dollars)

2. Significant accounting policies (continued)

(h) Use of estimates

The preparation of consolidated 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 revenue and expenses during the period. Estimates include the valuation of investments and the recoverability and useful life of administrative and leasehold improvement assets. Consequently, actual results may differ from those estimates.

(i) Contributed services

A substantial number of volunteers contribute a significant amount of time each year. Because of the difficulty of determining the fair value of these services, contributed services are not recognized in the consolidated financial statements.

3. Assets by fund

	Community & Field of interest	Donor Advised & Designated	Flow-through	Funds Administered for Others	Total
Cash and cash equivalents	$ 24,230	$ 30,438	$ 55,417	$ 2,564	$ 112,649
Prepaid expenses	211	–	–	–	211
Accrued investment income	195	222	402	19	838
Current portion of loan receivable	–	–	961	–	961
Investments, at fair value	411,813	899,831	36,857	77,361	1,425,862
Loan receivable	–	–	9,788	–	9,788
Other assets	684	722	–	–	1,406
March 31, 2025	$ 437,133	$ 931,213	$ 103,425	$ 79,944	$ 1,551,715
March 31, 2024	$ 403,953	$ 855,105	$ 91,283	$ 74,189	$ 1,424,530

(thousands of dollars)

4. Investments

The Foundation records its investments at fair value except for the value of a gifted corporation which is accounted for using the equity method and is not fair valued. The following table is a summary of the value of the Foundation's investments by region.

	Canada	United States	International	Total 2025	Total 2024
Bonds and debentures					
Investment grade	$ 274,482	$ 1,093	$ –	$ 275,575	$ 258,273
Private debt	292	87,952	38,021	126,265	131,715
Public equity	197,756	184,258	186,040	568,054	540,749
Real estate	47,386	40,593	26,958	114,937	111,243
Infrastructure	2,683	118,769	72,739	194,191	140,452
Private equity	2,772	78,036	45,397	126,205	120,499
Gifted corporation	20,635	–	–	20,635	25,630
	$ 546,006	$ 510,701	$ 369,155	$1,425,862	$1,328,561

During 2021, the Foundation accounted for a gift being 100% of the shares of a private, for-profit real estate holding company, as a contribution with an estimated fair value of $24,778. The Foundation subsequently applies the equity method to recognize the investee's net income or losses after the date of the gift, less any distributions received.

	Gifted corporation (unaudited)	
As at and for year ended	March 31, 2025	March 31, 2024
Revenues	$ 3,298	$ 1,150
Expenses	3,268	682
Net Income	30	468
Assets	14,484	13,481
Liabilities	6,847	1,874
Shareholder's equity	7,637	11,607

(thousands of dollars)

5. Loans receivable

The loans receivable relate to the Foundation's Community Impact Investment program ("the program"). The program provides debt financing to Calgary and area charities and not-for-profit organizations. The program augments investments from traditional financial institutions or provides lending to organizations with credit capacity but who are unable to secure financing from a bank or other financial institution. Substantially all the loans to these organizations are secured by real property pledged as collateral.

	2025	2024
National Music Centre. Bears interest at 2.2% per annum with principal plus interest payments to maturity in December 2030.	$ 5,000	$ 5,000
cSPACE Projects. Bears interest at 6.0% per annum with monthly interest only payments through to maturity and a balloon payment of principal plus accumulated interest in January 2028.	2,270	2,400
Knox United Church. Bears interest at 3.5% per annum with quarterly interest only payments and annual principal payments through to maturity in April 2030.	660	700
Youth Singers. Bears interest at 6.25% per annum with quarterly interest only payments and a balloon payment of principal on maturity in December 2026.	600	600
Seeds Connections. Bears interest at 8.25% per annum with quarterly interest only payments until December 2026. Thereafter, annual principal and quarterly interest payments through to maturity in March 2029.	500	–
Theatre Calgary. Bears interest at 4.0% per annum with monthly payments of principal plus interest through to maturity in September 2027.	407	564
Canadian Animal Task Force Society. Bears interest at 7.5% per annum with monthly payments of principal plus interest and a balloon payment of principal on maturity in March 2028.	–	350
Eleanor Luxton Historical Foundation. Bears interest at 4.5% per annum with quarterly payments of principal and interest through to maturity in September 2030 (note 10(b)).	302	350
The Safe Haven Foundation of Canada. Bears Interest at 7.5% per annum with monthly interest only payments and a balloon payment of principal on maturity in February 2026.	–	250

(thousands of dollars)

5. Loans receivable (continued)

		2025		2024
North Rocky View Community Links Society. Bears interest at 7.75% per annum with monthly interest only payments until February 2026. Thereafter, monthly payments of principal plus interest through to maturity in February 2028.		260		–
Kahanoff Centre for Charitable Activities. Bears interest at 4.0% per annum until December 2026 (note 10(c)). There are no specified repayments terms and any amount outstanding as of December 2026 is subject to the renegotiation of terms.		121		121
Various loans to other organizations with interest of 4.75% to 10.0% per annum and repayment terms as outlined in the respective loan agreements and maturity dates ranging from April 2025 to December 2032.		629		814
Current portion of loans receivable		(961)		(454)
	$	9,788	$	10,695

6. Other assets

		2025		2024
Cash surrender value of donated life insurance policies	$	722	$	696
Leasehold improvements, net of accumulated amortization of $2,653 (2024 – $2,343)		605		907
Administrative assets, net of accumulated amortization of $775 (2024 – $742)		74		81
Miscellaneous		5		5
	$	1,406	$	1,689

(thousands of dollars)

6. Other assets (continued)

The Foundation is the beneficiary named under whole life and term life insurance policies as follows:

	2025			2024
	Premiums paid	Cash surrender value	Face value	Face value
Whole life policies	$ 116	$ 722	$ 15,426	$ 14,795
Term life policies	11	–	1,100	1,100
	$ 127	$ 722	$ 16,526	$ 15,895

The cash surrender value of donated life insurance policies is recorded as an asset. The Foundation will record the realizable amount in excess of the cash surrender value when the receipt of the proceeds can be estimated and collection is reasonably assured.

7. Funds administered for others

Funds administered for others are the assets owned by 33 (2024 – 31) other charitable organizations. The change in funds administered for others is as follows:

	2025	2024
Increases		
Deposits	$ 2,703	$ 3,211
Interest and dividends	2,115	2,139
Realized capital gains, net	1,569	4,733
Unrealized capital gains, net	4,424	–
Total increases	10,811	10,083
Decreases		
Withdrawals	(4,107)	(10,160)
Service costs (note 9)	(949)	(911)
Unrealized capital losses, net	–	(614)
Total decreases	(5,056)	(11,685)
Change during the year	5,755	(1,602)
Balance, beginning of year	74,189	75,791
Balance, end of year	$ 79,944	$ 74,189

(thousands of dollars)

8. Commitments

The Calgary Foundation Investment Trust has unfunded investment commitments relating to private investments in debt, real estate, infrastructure, and private equity.

	Currency		
	March 31, 2025		
Asset class	Canadian dollar	US dollar	Euro
Commitments	$ 4,232	$ 235,536	€ 32,653
Private debt	4,232	14,821	28,424
Real estate	–	17,312	–
Infrastructure	–	83,886	–
Private equity	–	119,517	4,229

	Currency		
	March 31, 2024		
Asset class	Canadian dollar	US dollar	Euro
Commitments	$ 3,822	$ 145,268	€ 32,738
Private debt	3,822	14,820	28,509
Real estate	–	22,115	–
Infrastructure	–	64,965	–
Private equity	–	43,368	4,229

At March 31, 2025, the unfunded investment commitments denominated in U.S. dollars is $235,536 (2024 – $145,268), translated into Canadian dollars in the amount of $339,007 (2024 – $196,591). The unfunded investment commitments denominated in Euros is €32,653 (2024 – €32,738), translated into Canadian dollars in the amount of $50,765 (2024 – $47,846). The unfunded amounts may be called by the managers of the private investments in debt, real estate, infrastructure, and private equity on demand.

(thousands of dollars)

8. Commitments (continued)

The Foundation has entered into an agreement with a controlled organization, the Kahanoff Centre for Charitable Activities, to rent office space under an operating lease. Additionally, the Foundation has entered into agreements with a local educational institution to sponsor an ongoing event and a publisher to produce an annual publication. The future annual payments are estimated to be:

2026	$ 834
2027	399
2028	90
2029	20
	$ 1,343

9. Service costs

	2025	2024
Salaries and benefits	$ 6,654	$ 6,252
Investment management and custodial fees	2,895	2,723
Development and communications	1,140	1,027
Occupancy and insurance	771	789
Computer application and website support	777	517
Office	438	421
Amortization of leasehold improvements and administration assets	344	350
Professional fees	355	337
Memberships	148	124
Premiums to maintain life insurance policies	127	149
Contributions to pay premiums to maintain life insurance policies	(76)	(98)
	$ 13,573	$ 12,591

Investment management and custodial fees do not include investment management fees related to private investments in debt, real estate, infrastructure, and private equity. The investment returns from these private investments are net of the associated investment management fees.

The Foundation recovers service costs from Community, Field of Interest, Donor Advised, and Designated funds by way of a cost recovery based on the market value of each fund. A portion of the service costs are recovered from Funds administered for others in accordance with their agreements. Expenses incurred for a specific fund are charged to that fund.

(thousands of dollars)

10. Controlled organizations

(a) Esther Honens International Piano Competition Foundation

The Foundation is the beneficial owner of all the shares of the Esther Honens International Piano Competition Foundation ("Competition Foundation") which is responsible for a piano competition normally held every three years. The Competition 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. The Foundation's Esther Honens International Piano Competition Foundation Fund, Honens Future Growth Fund, American Friends of Canada Fund and Honens Legacy Partner Fund are endowment funds that provide annual revenue to the Competition Foundation. At March 31, 2025, the market value of the four funds totalled $18,289 (2024 – $17,372).

Esther Honens International Piano Competition Foundation		
As at and for the year ended	December 31, 2024	December 31, 2023
Revenues	$ 1,865	$ 2,088
Revenues from the endowment funds	828	814
Expenses	1,943	1,738
Assets	1,800	2,015
Liabilities	229	366
Unrestricted net assets	530	698

(b) Eleanor Luxton Historical Foundation

The Foundation is the beneficial owner of all the shares of the Eleanor Luxton Historical Foundation ("Luxton Foundation"). The Luxton 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. The purpose of the Luxton Foundation is to preserve and promote the historical real estate and artifacts relating to the original settlements of the Banff area. The Foundation holds the Luxton Historical Foundation Fund, which provides annual funding to support the Luxton Foundation. At March 31, 2025, the Luxton Historical Foundation Fund had a market value of $6,657 (2024 - $6,324).

(thousands of dollars)

10. Controlled organizations (continued)

(b) Eleanor Luxton Historical Foundation (continued):

The Luxton Foundation financial statements are subject to a review engagement.

Eleanor Luxton Historical Foundation		
As at and for the year ended	(unaudited) December 31, 2024	December 31, 2023
Revenues	$ 445	$ 470
Revenues from the endowment fund	302	296
Expenses	312	356
Assets	2,335	2,301
Liabilities	382	499
Unrestricted net assets	304	201

As part of the Foundation's Community Impact Investment program, the Foundation has loaned funds to the Luxton Foundation (Note 5). The loan has been used for renovations to develop market-rate rental units and is included in the liabilities presented in the table above.

(c) Kahanoff Centre for Charitable Activities

The Foundation is the beneficial owner of all the shares of the Kahanoff Centre for Charitable Activities ("Kahanoff Centre"). The Kahanoff Centre provides office and conference space to Calgary not-for-profit organizations at discounted rates, to the benefit of the Calgary community. The Kahanoff Centre 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.

Kahanoff Centre for Charitable Activities		
As at and for the year ended	December 31, 2024	December 31, 2023
Revenues	$ 4,886	$ 4,778
Expenses	4,959	4,892
Assets	33,160	34,439
Liabilities	28,730	29,937
Net assets	4,430	4,502

10. Controlled organizations (continued)

(c) Kahanoff Centre for Charitable Activities (continued):

The Foundation has guaranteed up to $37,500 of financing related to the mortgage on the facility. As of March 31, 2025, the Kahanoff Centre has an outstanding mortgage balance with the lender of $27,978 (2024 – $29,268).

Additionally, as part of the Foundation's Community Impact Investment program, the Foundation has loaned funds to the Kahanoff Centre (Note 5). The loan has been used for leasehold improvements for tenants and is included in the liabilities presented in the table above.

During the year, the Foundation paid $716 (2024 – $701) in lease payments to the Kahanoff Centre (Note 8) which is included in Service costs on the statement of operations.

11. Significantly influenced organizations

The Foundation is the beneficial owner of one of the two authorized, issued, and outstanding shares of the Calgary Stampede Foundation ("Stampede Foundation"). The Stampede 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. The Foundation has a right to appoint a minority of the Stampede Foundation's board of directors. The Stampede Foundation's objective is to establish programs for the benefit of young residents of Southern Alberta to advance their knowledge and understanding of the history, heritage, traditions, and culture of Alberta.

In the Foundation's fiscal year ended March 31, 2025, grants totalling $1,036 (2024 - $10) were approved and paid from Community, Donor Advised, and Flow-through funds to the Stampede Foundation.

12. Fund-raising expenses and other

The Foundation is required to disclose, under Section 7(2) of the Regulations of the Charitable Fund-raising Act of Alberta, that the service costs incurred for the purposes of soliciting contributions was $nil, the Foundation has no employees whose principal duties involve fundraising and there was no single disposition of contributions that equalled or exceeded 10% of the gross contributions received for the year ended March 31, 2025.

(thousands of dollars)

13. Financial instruments

The Foundation's financial instruments included in the consolidated statement of financial position are comprised of cash and cash equivalents, accrued investment income, loans receivable, accounts payable and accrued liabilities, grants payable and investments.

Fair values of financial assets and liabilities

The Foundation classifies its financial instruments at fair value, except for the gifted corporation, which is accounted for using the equity method as described in Note 2 (a) and loan receivable, which is accounted for using amortized cost, according to the following hierarchy based on the amounts of observable inputs used to value the instrument. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy.

• Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

• Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash and cash equivalents, accrued investment income, accounts payable and accrued liabilities, and grants payable approximate their fair value due to the relatively short periods to maturity of the instruments. There have been no transfers between levels during the year.

The fair value of the private investments in debt, real estate, infrastructure, and private equity is calculated as described in Note 2 (b). The following is a summary of the Foundation's investments using the fair value hierarchy.

	Investments as at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Bonds and debentures, Investment grade	$ –	$ 275,575	$ –	$ 275,575
Private debt	–	–	126,265	126,265
Public equity	568,054	–	–	568,054
Real estate	–	–	114,937	114,937
Infrastructure	–	–	194,191	194,191
Private equity	–	–	126,205	126,205
	$ 568,054	$ 275,575	$ 561,598	$ 1,405,227

(thousands of dollars)

13. Financial instruments (continued)

	Investments as at March 31, 2024			
	Level 1	Level 2	Level 3	Total
Bonds and debentures, Investment grade	$ –	$ 258,273	$ –	$ 258,273
Private debt	–	–	131,716	131,716
Public equity	540,749	–	–	540,749
Real estate	–	–	111,243	111,243
Infrastructure	–	–	140,452	140,452
Private equity	–	–	120,499	120,499
	$ 540,749	$ 258,273	$ 503,910	$ 1,302,932

14. Financial risk management

The Foundation has exposure to the following risks from its use of financial instruments:

• Credit risk
• Liquidity risk
• Market risk

The Foundation adheres to Statements of Investment Policy, approved by the Board of Directors, which outline the objectives, policies and measures related to its investing activities. These policies prescribe qualitative and quantitative parameters around the investments held by the Foundation in its segregated investments, pooled funds, and impact investments in order to moderate the financial risks. The Board of Directors is accountable for the establishment and oversight of the Foundation's risk management framework.

(thousands of dollars)

14. Financial risk management (continued)

(a) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment resulting in a financial loss to the Foundation. The fair value of a publicly traded financial instrument takes into account the credit rating of its issuer. The fair value of a privately held financial instrument may take into account valuation models that include some level of management estimation and judgment. The Foundation's financial instruments of cash equivalents, accrued investment income, loans receivable, bonds and debentures and private investments in debt are subject to credit risk. The maximum exposure to credit risk on these instruments is their carrying value. The private investments in debt are largely comprised of unrated, non-investment grade, senior secured loans. The maximum exposure to credit risk related to these investments is their fair value as presented in the consolidated statement of financial position and note 4. Credit exposure is mitigated by the underlying collateral, covenant protections and other credit enhancements that were underwritten by the external private debt managers. Additionally, the Foundation manages the risk by ensuring compliance with the limits to the credit exposure for the publicly traded pooled funds, engaging a professional investment manager to actively evaluate the creditworthiness of the borrowers of private debt and charging Foundation management with the periodic review of the financial strength and ability to service the loan of impact investment borrowers. Cash is held at financial institutions regulated by the federal Bank Act or Trust and Loan Companies Act. Cash equivalents are substantially all Government of Canada Treasury Bills. As at year end, the Foundation's credit exposures in its publicly traded fixed income portfolios were as follows:

	Percentage of the market value of the publicly traded fixed income portfolios	
	Investment grade bonds	
Credit rating	2025	2024
Bonds and debentures, at fair value	$ 275,575	$ 258,273
AAA	46.1%	49.5%
AA	26.2%	25.6%
A	16.9%	14.6%
BBB	10.7%	10.2%
<BBB	0.1%	0.1%

The Foundation's exposure to, and management of, credit risk has not changed materially during the year.

14. Financial risk management (continued)

(b) Liquidity risk:

Liquidity risk is the risk the Foundation will not be able to meet its liabilities as they fall due. Liquidity requirements of the Foundation are met through cash generated from investments, donor contributions, and by investing in pools that hold publicly traded liquid assets that transact in active markets and that are easily sold and converted to cash. Private investments in debt, real estate, infrastructure, and private equity have limited sale or redemption options. These investments are subject to gates, lockups, and other restrictions on investors' ability to readily sell or redeem their interests in the investment. The majority of the investments are publicly traded liquid assets and therefore the Foundation's liquidity risk is considered marginal. Additionally, the Foundation aims to retain sufficient cash positions to manage liquidity. The Foundation's exposure to, and management of, liquidity risk has not changed materially during the year.

(c) Market risk:

Market risk is the risk that changes in market prices, as a result of changes in foreign exchange rates, interest rates, and equity prices, will affect the Foundation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

(i) Currency risk:

Currency risk is the risk that investments in securities denominated in foreign currencies will fluctuate in reported value due to fluctuations in foreign exchange rates. The Foundation is exposed to currency risk on its foreign market investments, as the prices denominated in foreign currencies are converted to Canadian dollars in determining fair value. The objective of the Foundation's Statements of Investment Policy is to control currency risk by limiting the allocation to non-Canadian denominated securities and maintaining a geographically diversified portfolio.

(thousands of dollars)

14. Financial risk management (continued)

(c) Market risk (continued):

(i) Currency risk (continued):

Currency	Percentage of the market value of investments	
	2025	2024
Investments, at fair value	$ 1,425,862	$ 1,328,561
US dollar	40.9%	37.9%
Canadian dollar	40.5%	42.2%
Euro	9.8%	10.4%
Japanese yen	1.3%	2.0%
British pound	1.2%	1.2%
Other	6.3%	6.3%

Total unhedged investments held in foreign currencies as at March 31, 2025 were $848,164 or 59.5% of investments (2024 - $767,404, 57.8%). The most significant exposure to currency risk is $582,450 or 40.9% of investments (2024 – $502,914, 37.9% of investments) denominated in US dollars and not hedged to the Canadian dollar. A hypothetical 10 percent weakening (strengthening) of the Canadian dollar against the US dollar at March 31, 2025 would have increased (decreased) net assets and investment income for the year by $58,245 (2024 – $50,291). This analysis assumes that all other variables, in particular interest rates, remained constant.

(ii) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of interest-bearing financial instruments held by the Foundation. Duration is a common measure of the sensitivity of the price of a bond to a change in interest rates. At fiscal year end, the publicly traded bonds had an average duration as follows:

(thousands of dollars)

14. Financial risk management (continued)

(c) Market risk (continued):

(ii) Interest rate risk (continued):

		2025		2024
Bonds and debentures, at fair value	$	275,575	$	258,273
Duration (years)		6.2		5.6
Assumed increase in interest rates		+1%		+1%
Approximate resulting decrease in value	$	(17,086)	$	(14,463)
Approximate resulting percentage decrease		(6.2%)		(5.6%)
Assumed decrease in interest rates		–1%		–1%
Approximate resulting increase in value	$	17,086	$	14,463
Approximate resulting percentage increase		6.2%		5.6%

The Foundation also holds private investments in debt that are made up largely of non-investment grade, senior secured loans that have a shorter duration than the publicly traded debt. The value of these loans is not as impacted by changes to interest rates because of floating coupon rates that vary in line with the underlying reference rate. Loans may also include call protection and pre-payment penalties which reduce repayment risk by preventing borrowers from retiring loans within a few years of issuance. Furthermore, floating coupon rate loans normally have contracted lower limits on the reference rate, offering some protection when interest rates decline.

(iii) Equity price risk:

Equity price risk is the risk that the value of a financial instrument will fluctuate due to changes in equity markets. The Foundation is exposed to equity price risk on its equity investments. The Statements of Investment Policy apply to all investments held in the Foundation's pooled funds and it includes restrictions regarding the minimum and maximum amount of various asset classes. The diversification across various asset classes is expected to decrease the volatility of portfolio returns due to the lack of correlation between returns. The assumed increase in market prices is based on the Foundation’s expectations for long-term nominal rates of return.

(thousands of dollars)

14. Financial risk management (continued)

(c) Market risk (continued):

(iii) Equity price risk (continued):

	2025
Public equity, at fair value	$ 568,054
Assumed increase in market prices	+8%
Approximate resulting increase in value	$ 45,444
Assumed decrease in market prices	–8%
Approximate resulting decrease in value	$ (45,444)

	2024
Public equity, at fair value	$ 540,749
Assumed increase in market prices	+8%
Approximate resulting increase in value	$ 43,260
Assumed decrease in market prices	–8%
Approximate resulting decrease in value	$ (43,260)

The Foundation holds private investments in real estate, infrastructure, and private equity that are externally managed. By their nature, these investments can be exposed to equity price risk. Private equity investments involve the buying and selling of privately held companies. While the valuation of these investments is typically not susceptible to daily market fluctuations, there can still be equity price risk when exiting the investments through an initial public offering or a sale to another investor. Direct real estate and infrastructure investments can be exposed to equity price risk, which refers to the potential for the value of the property to fluctuate due to changes in the overall equity market. The Foundation manages equity price risks by conducting thorough due diligence in the selection of external managers and incorporating diversification strategies that mitigate exposure to any single investment, sector, or geography.

15. Government remittances

The Foundation has no significant outstanding government remittances as at March 31, 2025 (2024 – $nil).