



EXECUTIVE SUMMARY 2018-2019

Background

Established in 1955, the Calgary Foundation is a permanent endowment held in perpetuity for the benefit of the community. The Foundation is a 360 degree grant maker distributing more than \$45 million annually to all facets of the charitable sector. The Calgary Foundation is one of the largest and fastest growing community foundations in Canada with assets of \$ 975.3 million at March 31, 2018.

Vision

Calgary Foundation exists to build a healthy and vibrant community where everyone belongs.



Mission

We inspire philanthropy, support the charitable sector and build a permanent endowment to address the current and future needs of people in our community.

To achieve this, the Calgary Foundation will:

- Know the community, its needs and opportunities
- Make grants and make change in 360 degrees
- Engage citizens in community building
- Connect donors with the needs they care deeply about

The External Environment

The uncertain future of the NAFTA agreement, the lowered profitability of the oil industry, the sale of oil and gas assets resulting in fewer oil patch decision-makers based in Canada, and increased consumer spending suggesting Calgarians are overleveraging their wealth, are all current pressures on the economy.

The Federal government is investing significantly in social infrastructure in Canada, including early learning and childcare, home care, cultural and recreational infrastructure, Indigenous community development and affordable housing and to close the gender gap and innovation gap. Provincially the government is continuing to invest in health, education and social programs but cutting back on infrastructure spending.

Millennials care deeply about sustainability issues and have embraced the small footprint concept. Concern for the environment is becoming more mainstream and less the domain of special interest groups. There is a growing interest in issues of food, grown locally, organically, affordably, particularly among millennials. The next generation of leaders have less trust in, and loyalty to large longstanding institutions, and want engagement with charitable endeavors rather than cheque book philanthropy.

In the charitable sector the challenges with impact measurement has ignited a shift away from measuring impact to measuring the learning that comes from testing innovative ideas. Social innovation labs are on the rise. Mental health, the opiate drug crisis, and care of seniors as they age are pressing social issues. The need for reconciliation with Indigenous communities is being broadly embraced as a priority for society.

The linear thinking of humans is not keeping pace with the exponential change in technology. There are many new technologies set to take off in the near future: bots, electric and self-driving vehicles, cashier-less auto-debit retail, fitness trackers, smart homes, etc. The impact of Artificial Intelligence on the charitable sector is not yet known but that it will have impact is certain.

Strategic Direction

To address the challenges facing Calgary in the context of the changing world in which we live, and to continue to meet its purpose – For Community, Forever – the Calgary Foundation will:

Take a proactive leadership role in Building Community beyond grant making:

- *Intentionally apply Vital Priorities to grant making*
- *Gather, analyze and share data and knowledge about community*
- *Co-create innovative solutions to address Vital Priorities, through convening and partnerships*

Engage Donors and Inspire Philanthropy:

- *Amplify our capacity to deepen and broaden our relationships with donors*
- *Bring new, robust, web -based resources to support family philanthropy*
- *Strengthen professional advisor partnerships*

Build Public Confidence and Reputation:

- *Align all of the Foundation's work in the context of our Vital Priorities and within our 360 degree purpose*
- *Grow the profile of the Foundation and encourage engagement, specifically in the next generation*
- *Expand and leverage partnerships relevant to our role as a community leader*

Protect and Grow the Assets:

- *Achieve an optimal risk/return investment portfolio*
- *Grow the Impact Investing program beyond the initial fund*
- *Grow the Primary Endowment through current and future donors*

Excel in Organizational Effectiveness:

- *Build organizational capacity with people and technology, amplify effectiveness, seek opportunities to innovate*
- *Attract and develop intellectual capital*
- *Shift the organizational culture through our reconciliation journey to increase effectiveness in community building*

Resource Allocation

The sources of revenue to fund the Foundation's costs to operate are the cost recovery from the endowment and funds administered for others, and a small amount of sponsorship of our newsletters and events. Unrestricted granting resources offset the costs of direct charitable activity undertaken by the Foundation.

Costs are represented in three "buckets": the annual Service Costs, Investment Management Costs and Direct Charitable Activity Costs. The budget approved by the Board for the year 2018-2019, projects a surplus (prior to amortization expense) of \$677,000.

The total FTE staff complement has increased by 1.7 FTE's from the current levels. New positions align with the strategic directions and accommodate the growing workload of a growing number of funds.

Comparisons:

The Foundation's total staff complement in this budget is 35.2 FTEs (December 31, 2017 asset base of \$902.4 million – which excludes assets of funds administered for others as per the annual filing with Canada Revenue Agency, "CRA") → 3.9 staff/\$100 million).

Recent CRA figures for the Foundation and Canadian community foundations with assets over \$100 million are:

Community Foundation	Fiscal Year End	Assets at Fiscal Year End*	Number of Staff	Number of Staff per \$100 MM of Assets
Vancouver Foundation	31-Dec-16	\$ 1.15 billion	54	4.7
Calgary Foundation	31-Mar-17	\$ 846 million	32	3.8
Winnipeg Foundation	30-Sep-16	\$ 765 million	43	5.6
Edmonton Community Foundation	31-Dec-16	\$ 505 million	24	4.7
Toronto Foundation	31-Mar-17	\$ 349 million	20	5.7
Victoria Foundation	31-Dec-16	\$ 252 million	11	4.4
Hamilton Community Foundation	31-Mar-17	\$ 193 million	18	9.3
Fondation du Grand Montréal	31-Dec-16	\$ 139 million	11	7.9
Ottawa Community Foundation	31-Dec-16	\$ 131 million	15	11.4
Oakville Community Foundation	31-Dec-16	\$ 108 million	6	5.6

*'Funds Administered for Others' or 'Managed Funds' are excluded from the CRA assets above but can impact staff complement or resources available for staffing.

The Foundation's budgeted expenditures before amortization expense (\$9.4 million) as a percent of the December 31, 2017 total assets – as per the CRA definition – of \$902.4 million → 1.04%.

Comparison of total expenditures (before grants) as a percent of total assets (at a single point in time) as per the most recently filed annual data with CRA:

• Vancouver Foundation	1.04%
• Calgary Foundation	0.93%
• Winnipeg Foundation	0.98%
• Edmonton Community Foundation	1.40%
• Toronto Foundation	1.50%
• Victoria Foundation	0.90%
• Hamilton Community Foundation	1.39%
• Fondation du Grand Montréal	1.58%
• Ottawa Community Foundation	1.73%
• Oakville Community Foundation	1.50%

Direct Charitable Activity Costs Highlights:

Expenditures support the Foundation's community leadership strategy to build and share knowledge of our community. Initiatives include the Vital Signs survey and report with a new Vital Signs video, a Community Knowledge Centre digital marketing campaign. We will continue to build on the success of Calgary's Vital Signs Report to engage citizens and assess issues important to quality of life in Calgary. The Foundation will continue to collaborate with other organizations to examine data and present a critical analysis of quality of life in our city.

Conclusion:

The resource allocation assigned in this budget will enable the Foundation to achieve its strategic goals in 2018-2019, assuming there are no dramatic changes to the environment.