



THE CALGARY FOUNDATION

ANNUAL FINANCIAL REPORT

6/03/2019



year ended March 31, 2019

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Management Discussion and Analysis

For the year ended March 31, 2019

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, 2019, compared to preceding years. This MD&A should be read in conjunction with our audited financial statements and related notes dated June 3, 2019. All amounts are based on financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations except activity, attendance or participation figures. Calgary Foundation (“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), the Canada Revenue Agency guidelines and the Charitable Fund-raising Act and Regulations (Alberta). The Foundation has adopted Volunteer Canada’s Code for Volunteer Involvement, Community Foundations of Canada’s criteria for membership and is accredited 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 AND MISSION

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

The Foundation’s mission is to inspire philanthropy, support the charitable sector and build a permanent endowment to address the current and future needs of people in our community.

STRATEGY AND KEY RESULT AREAS

Leadership in community building

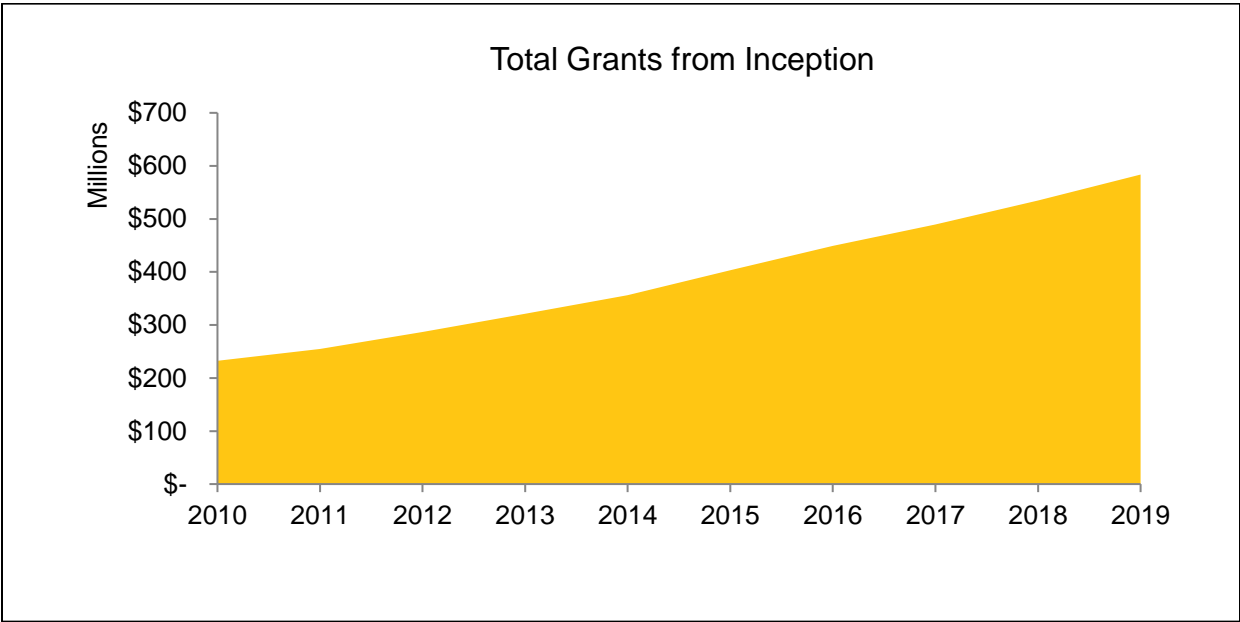
Desired Impact: Charitable sector is strengthened and citizens are engaged through the Foundation’s grants and community initiatives.

Strengthening Charities

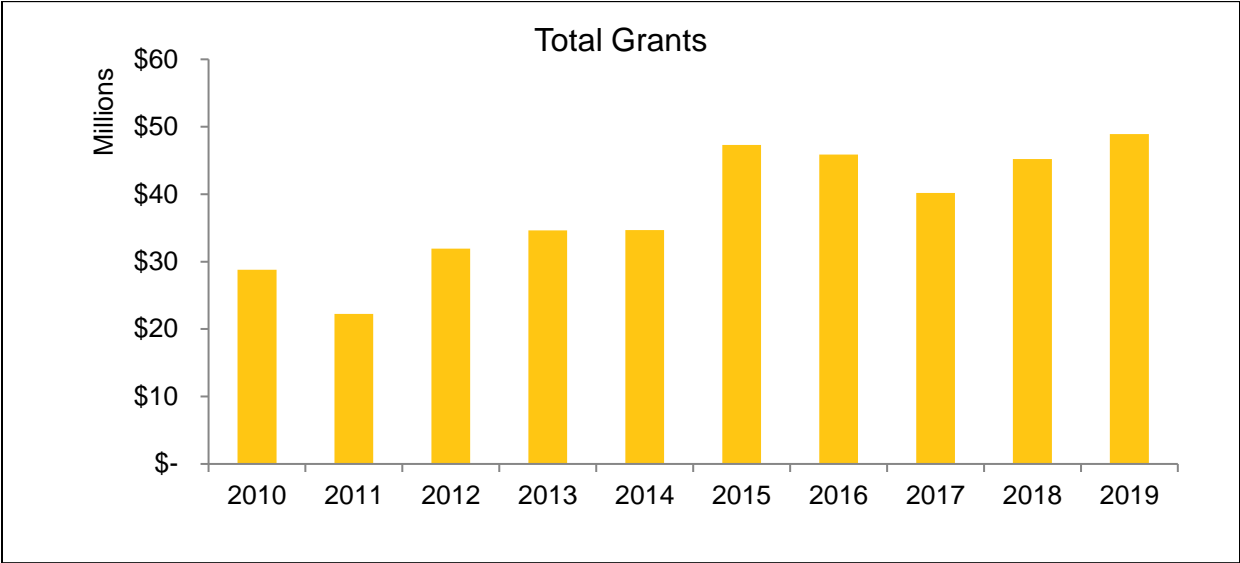
Grants

The Foundation provides grants to qualified donees (essentially other registered charities) to support all parts of the charitable community. Grants and awards engage citizens in building their communities and strengthening charitable organizations, now and into the future. Grants from endowed funds are a percentage of the market value of the fund. As the market value of endowed funds and the number of endowed funds grow, the number and dollar amount of grants will grow. The number and timing of grants from non-endowed funds also affect the total number and dollar amount of grants.

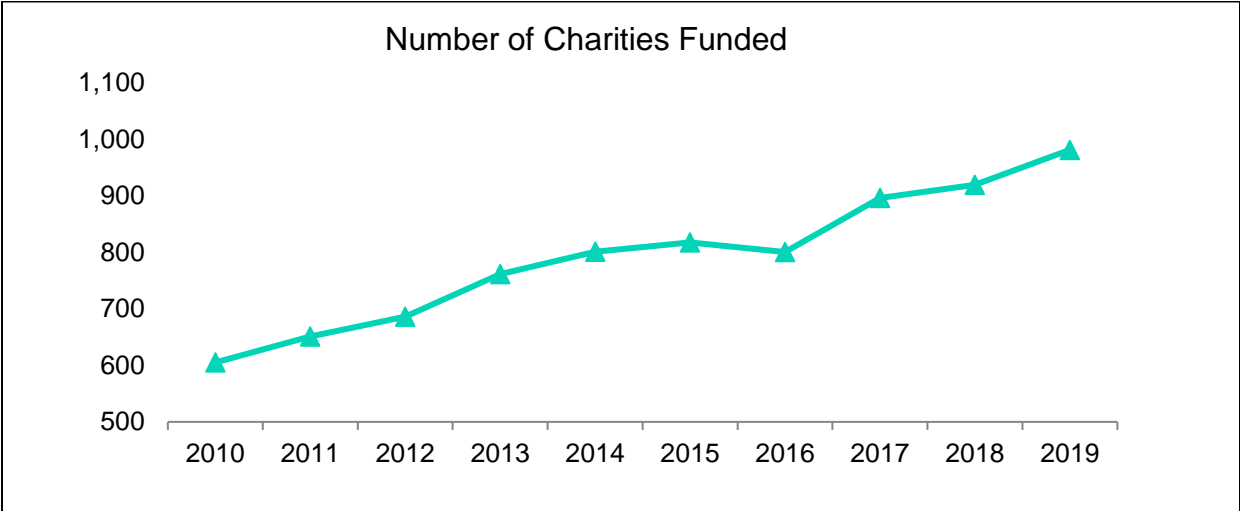
Foundation funds are flexible and adaptive to emerging community needs – responding to a need that may not have existed when the fund was created. An example of a need that would not have been identified just five years ago is the Foundation’s role in strengthening relationships with Indigenous communities (a direct response to the 94 Calls to Action that arose from the Truth and Reconciliation Commission Report).



Since the Foundation’s inception in 1955, the total dollar value of grants to the end of March 2019 is approximately \$583.6 million (2018 – \$534.7 million). Two-thirds of that amount (\$379.8 million, 2018 – \$353.2 million) has been distributed to registered charities and like organizations in the last ten years.



As with the general trend in the dollar amount of grants distributed, the number of charitable organizations who have received grants each year from the Foundation has trended upwards. This growth is a function of both the growth in the number of Calgary-based charities who are aware of the funding available from the Foundation, as well the growth in the number of funds established at the Foundation for various charitable purposes.



Capacity-Building

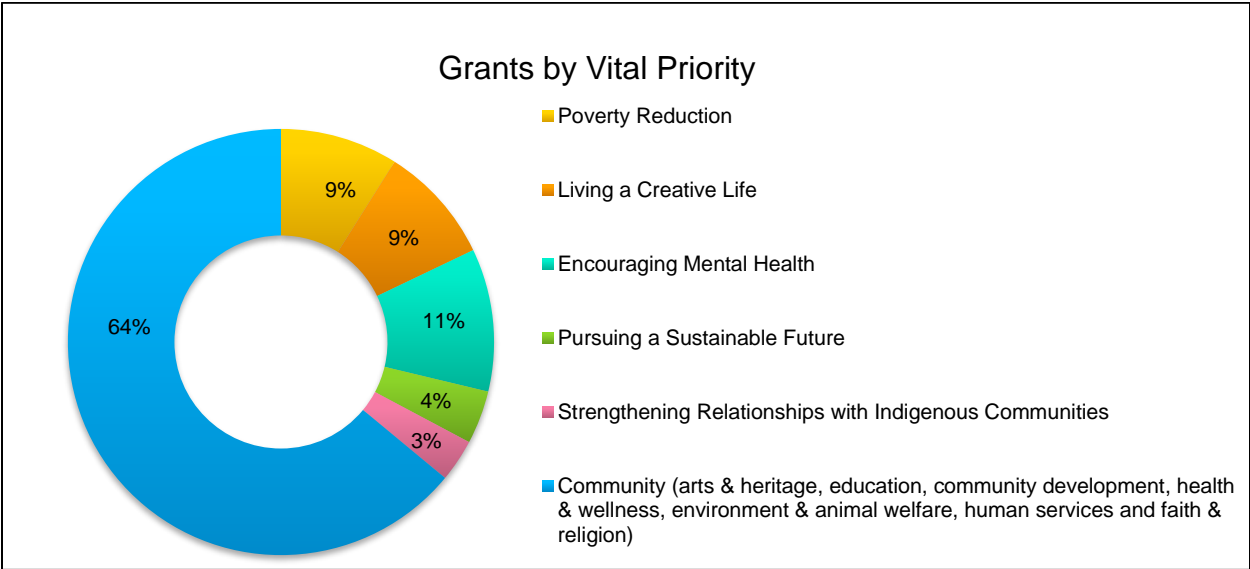
The Foundation provides support to qualified donees beyond grantmaking. The Foundation financially supports capacity-building workshops through other appropriate charitable organizations whose mission includes facilitating learning that focuses on strengthening capacity. In supporting learning delivered by other appropriate charitable organizations, the Foundation also builds the capacity of these organizations.

Vital Priorities

In 2015, through a process that engaged community partners and stakeholders, the Foundation identified five Vital Priorities on which to focus additional leadership and support for the next ten years. These Vital Priorities are:

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

This year, the Foundation provided 527 grants (2018 – 558 grants) worth \$17.6 million (2018 - \$16.4 million) to specific initiatives that support the five Vital Priority areas. Encouraging Mental Health attracted the most financial support, followed by Living a Creative Life and Poverty Reduction. The allocation of funding to the Vital Priority areas in 2019 is as follows:



Impact

To grant strategically for the most impact, the Foundation studies each of the priority areas to learn how to best support the work that needs to be done. In 2018, the Foundation completed its third evaluation report that examined its efforts in Strengthening Relationships with Indigenous Communities. To measure complex outcomes (defined as behavioural changes that include actions, relationships, policies, and practices), this report used an evaluation process known as ‘Outcome Harvesting’. Rather than measuring progress towards predetermined objectives, this approach collects evidence and community feedback of what works, what has changed, what is in the way and what is ahead.

The findings of the evaluation showed that a global strategy which could be used in the Foundation’s grantmaking is the Medicine Wheel approach. The Medicine Wheel approach can be described as a method of understanding that *“speaks of the need for balance, harmony and respect as bringers of happiness”*. It is a traditional approach to life balance for many Indigenous communities and could be used as a framework for the manner in which the Foundation supports Indigenous-focused initiatives, specifically in Foundation grantmaking. By evaluating the balance of projects (on an individual basis and as a whole) through the lens of the Medicine Wheel design, Foundation staff and volunteers could approach Indigenous programming with a broader understanding.

The evaluation also surfaced evidence that the charitable sector in Calgary and area is making shifts in programming, practices and planning. There are areas of positive change, such as youth and community mentorship, but other areas still need additional efforts – such as raising awareness amongst donors.

The following table summarizes impact in three of the five Vital Priority areas in which the Foundation has completed evaluation reports. In addition to financial support for specific projects carried out by organizations working in these areas of Mental Health, Sustainable Futures and Relationships with Indigenous Communities, the Foundation also provides funding towards core operations, learning opportunities to strengthen organizational capacity, convening and collaboration opportunities, traditional and social media exposure, knowledge of synergistic opportunities, and familiarity with previous work by other organizations active in the same areas.

The Foundation has contributed to these impacts:

Wellness: Encouraging Mental Health (2016)

- Marginalized Calgarians have seen an improvement in mental health through increased access to food, shelter, family and friends, some amount of personal mobility, and the ability to continue to be an active participant in the community.
- There has been a progressive shift in program delivery and client engagement from an organizational and program focus to more of a client and community centered approach.
- Empowerment through meaningful engagement, and the establishment of increased social connectedness through a reduction in the negative stigma around mental health.
- Service providers contributed to increased social connectedness by facilitating connections across diverse groups. These groups included intergenerational, ethno/cultural, and socio/economic populations.
- Grant recipients have initiated, and participated in, increasingly collaborative ways in order to adapt to changing needs in Calgary. These opportunities have come about as the result of many organizations recognizing that mental health can be better addressed in a collaborative approach.
- Grant recipients have increased their organizational capacity to better serve the community. One area of change is the support for strategic capacity building exercises that include organizational planning and staff training. A second area focuses more on instrumental/logistical improvements.

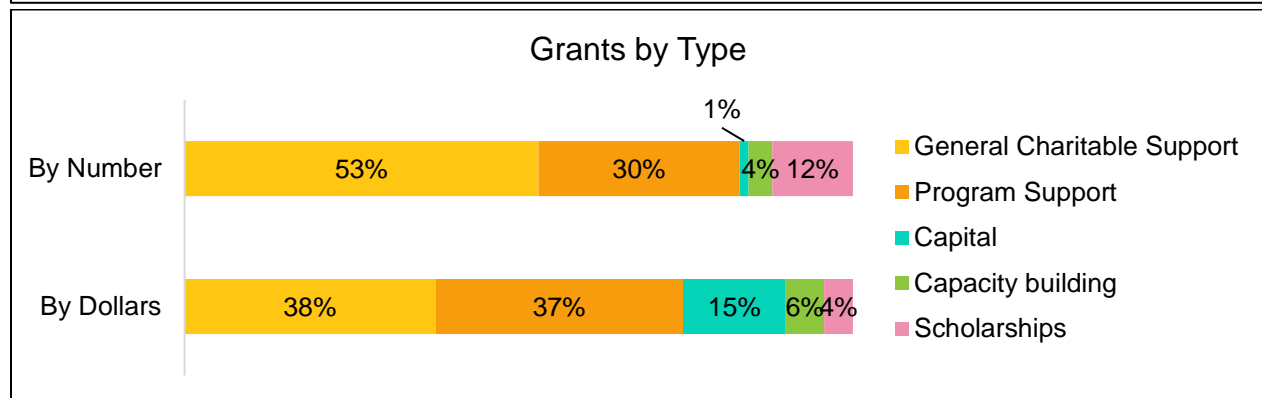
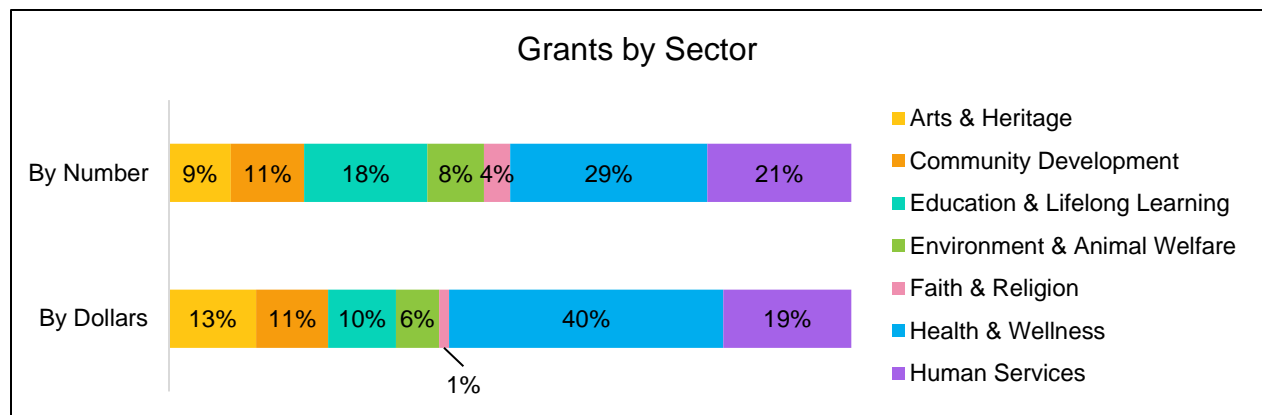
Environment: Pursuing a Sustainable Future (2017)

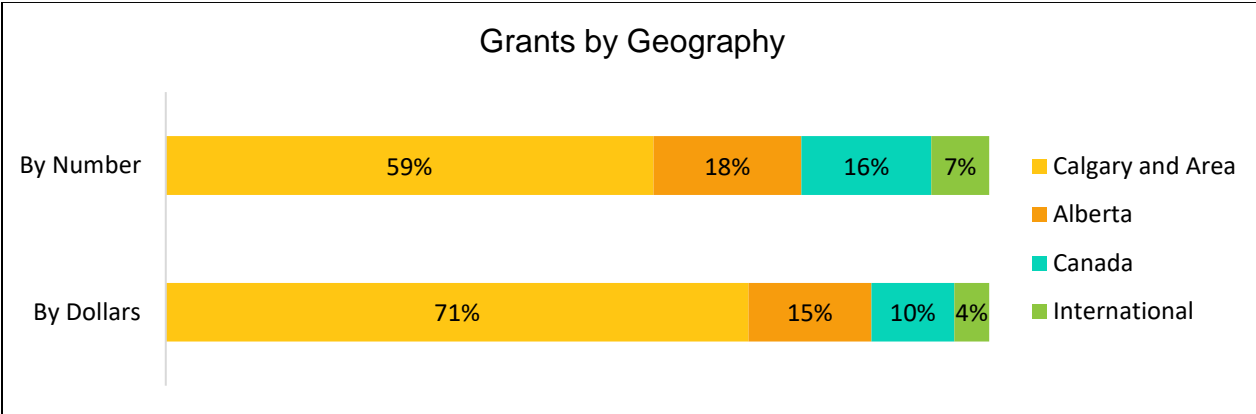
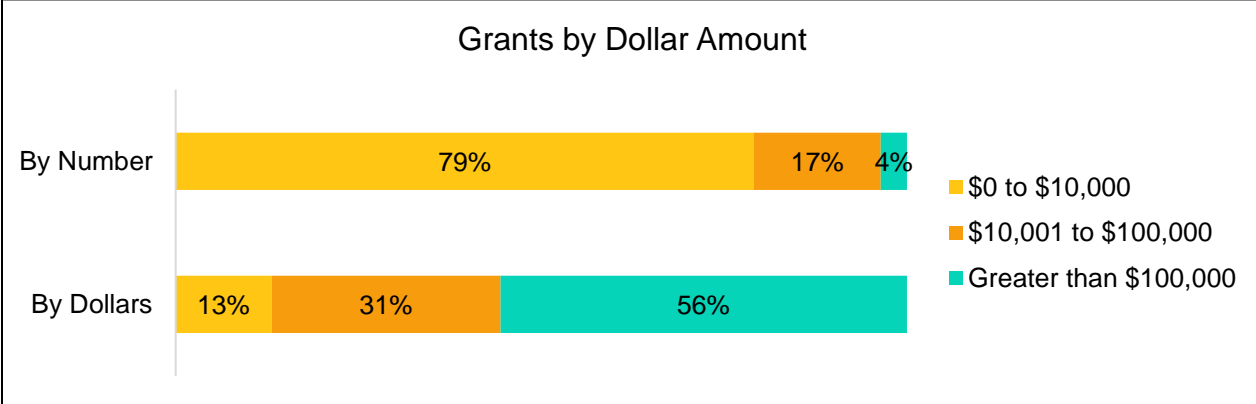
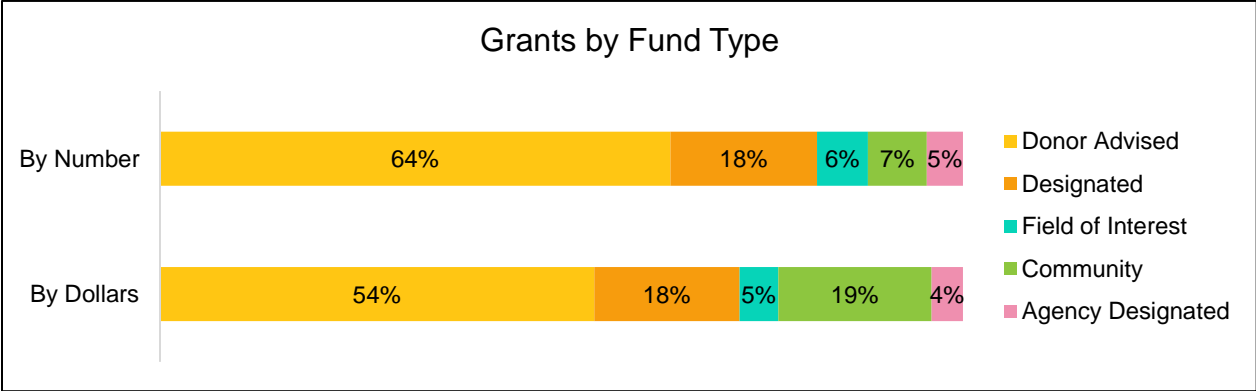
- Southern Eastern Slopes Collaboration: Twelve environmental non-profits collaborated to produce a land use vision that prioritizes the protection and management of public and private lands along the southern eastern slopes of Alberta.
- Environmental non-profits played both initiating and sustaining roles in the development of cross-sectoral 'communities of practice', comprised of multiple organizational members working together to coordinate efforts and participate in peer learning exchanges.
- Adaptive approaches to community engagement have resulted in an increase in public volunteerism for environmental causes. The "citizen science" approach has engaged the general community in meaningful work that can potentially have lasting impact.

Community Connections: Strengthening Relationships with Indigenous Communities (2018)

- The collective efforts of Elders, community and the charitable sector has led to improved high school completion rates and an increase in the number of youths who self identify as Indigenous.
- Due to a growing demand to engage Elders, many organizations have shifted their programmatic engagement to a deeper level by building meaningful relationships with Indigenous communities.
- There is a desire to decolonize approaches to programming and interactions with Indigenous communities and several organizations have begun opening public events with land acknowledgement statements. There is somewhat more knowledge and a push toward reconciliation at an institutional level, but it is still at the initial stages.
- Internally, the Foundation is shifting behaviors and attitudes through a systems change approach that includes context-setting discussions, exploratory exercises and a real-time focus on issues that emerge within and beyond our sector. Within this change process, board and volunteers have also been engaged to support our efforts in identifying various leverage points and models of philanthropy that enhance a cultural shift.

The following five sets of charts offer insight into the total amount granted across all sectors in fiscal 2019:

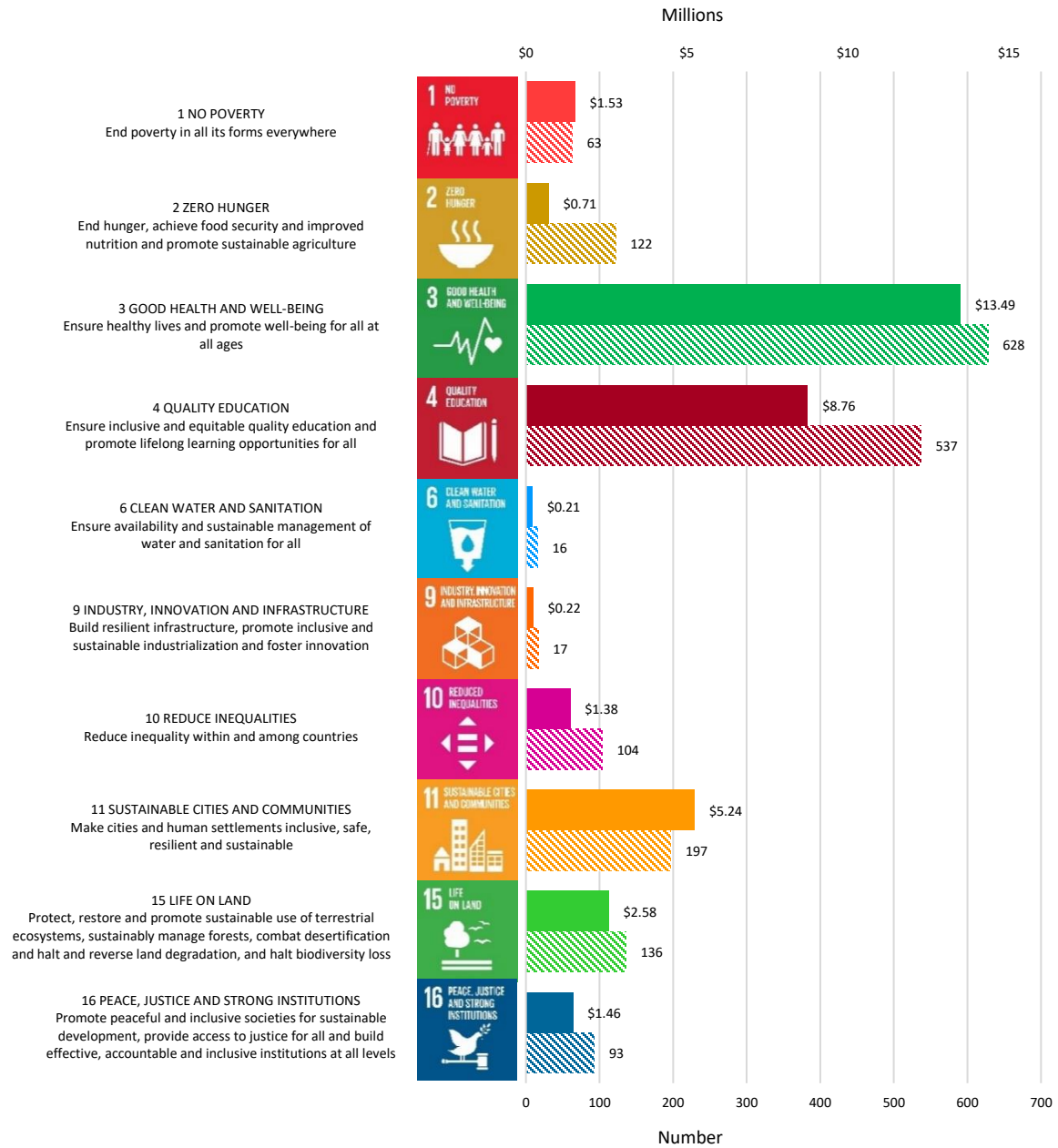




In 2015, Canada adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (“SDGs”). Sustainable development has been defined by the United Nations as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It calls for concerted efforts towards building an inclusive, sustainable and resilient future while harmonizing economic growth, social inclusion and environmental protection in the effort.

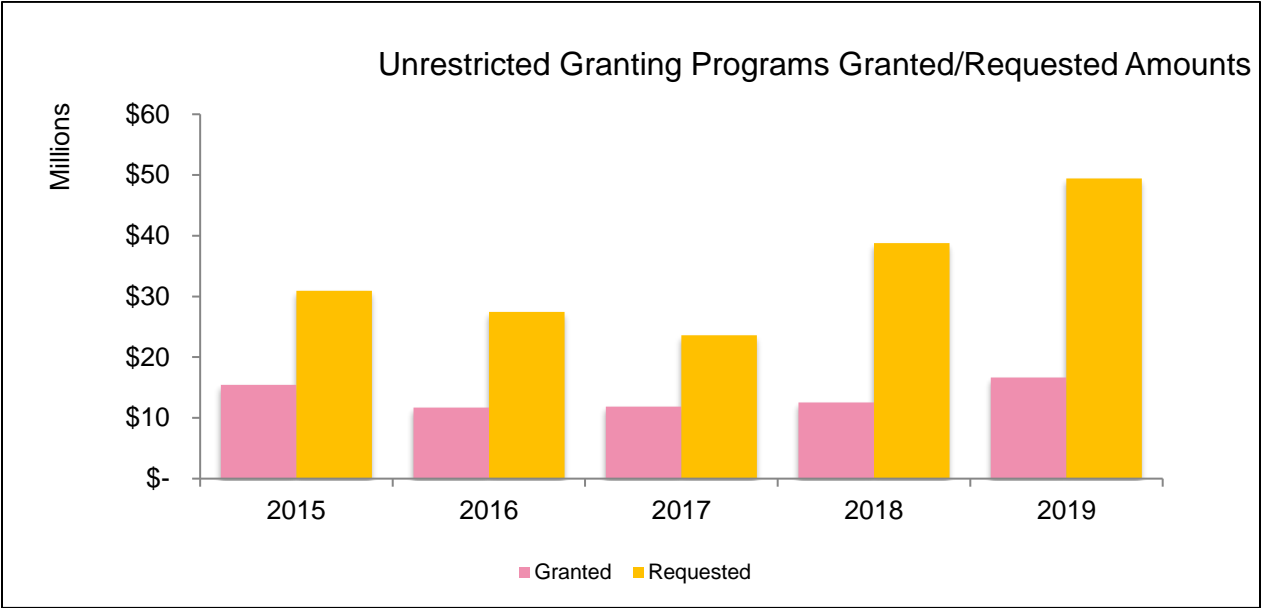
The Foundation and other community foundations along with various levels of government, civil society and the private sector are important contributors to the 2030 Agenda and its SDGs. Although the SDGs do not guide the work of the Foundation nor the establishment of community-focused priorities, it is important to note that the work of the Foundation contributes towards the attainment of specific SDGs. The Foundation has identified that it has contributed \$35.6 million (73% of the total dollars granted), by way of 1,913 grants, to programs and organizations whose work makes a positive contribution to success in ten of the seventeen SDGs:

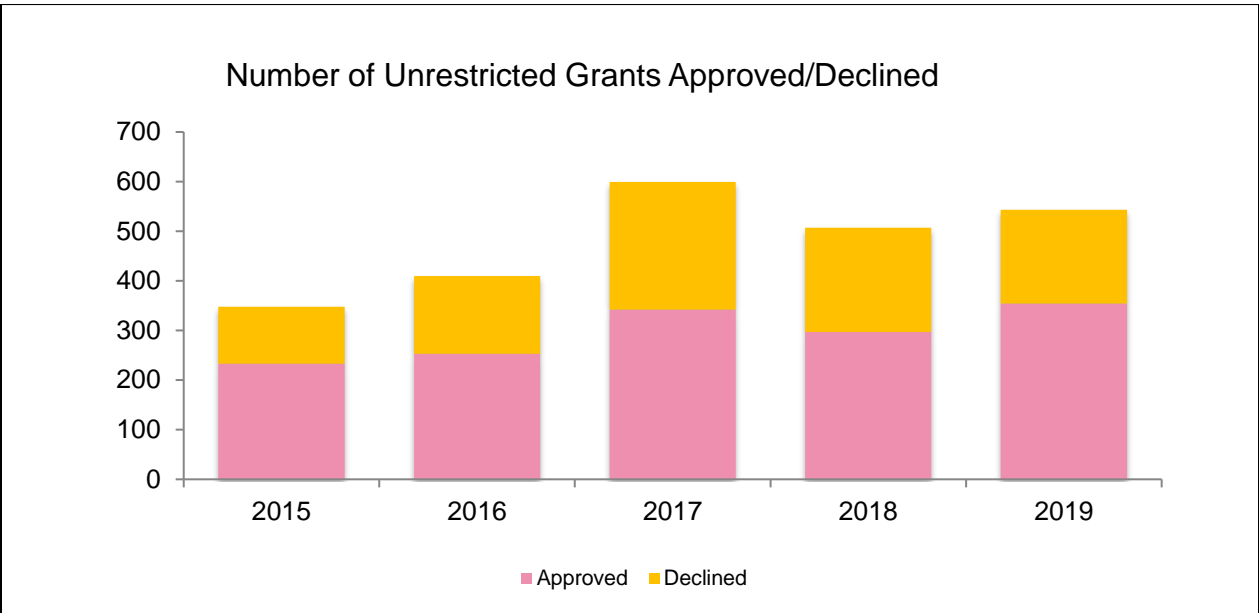
Grants Contributing to the Social Development Goals by Dollars and By Number



Unrestricted granting programs are typically funded by Community and Field of Interest endowment funds. From time to time, additional financial resources from other sources such as Donor Advised, Designated and Flow-through funds, may also contribute to unrestricted granting programs. These granting programs are application-based, generally directed to new and emerging needs, and encompass the following:

- Community Grants to support initiatives that respond to developing community issues and evolving priorities.
- Neighbour Grants to support resident-led projects that help create and strengthen the bonds of neighbourliness.
- Strategic Opportunity Grants to support small to mid-sized qualified donees with small, time-sensitive, strategic initiatives that advance their work by testing ideas for new or enhanced programs or to bring outside expertise into the organization in order to build capacity, strengthen board governance or support professional development.
- Stepping Stones Grants to encourage active citizenship by helping residents undertake small creative projects – neighbourly first steps – that benefit their local community.
- Major and Signature Grants to assist charitable organizations in all parts of the charitable sector by providing single or multi-year support for large-scale charitable initiatives that are broad in scope and transform our community. Grants support local or national initiatives that impact Calgary and area by addressing major issues and encouraging participation in charitable activities from a great number of citizens.





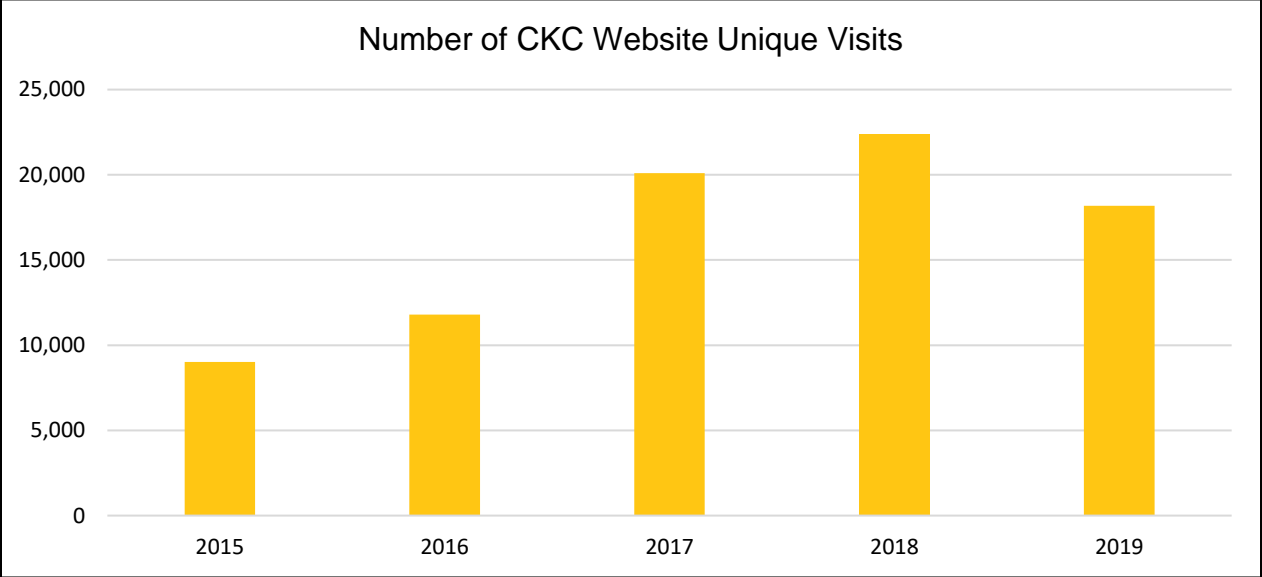
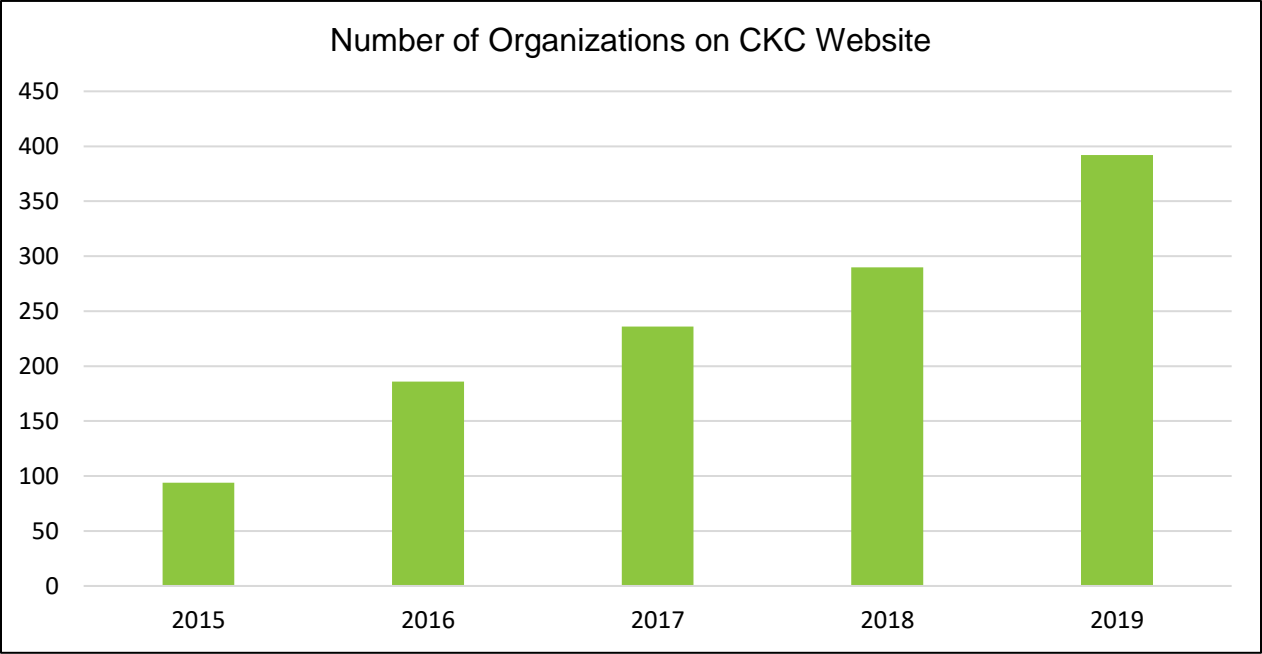
Engaging Citizens

The Foundation’s vision is that all citizens will one day be engaged in community building. The Foundation encourages active citizenship by helping residents undertake small, creative projects that benefit their local community or by supporting resident-led projects that help create and strengthen the bonds of neighbourliness. Whether through our Grassroots Granting programs or Foundation-supported Jane’s Walks, approximately 7,000 (2018 – 6,000) people were engaged in projects that helped them better understand their neighbourhoods and communities and strengthen a personal and collective sense of belonging.

Community Knowledge Centre

The Foundation’s Community Knowledge Centre (“CKC”) is a website that brings to life the work of registered charities in Calgary and area. Through individual CKC profiles, organizations can showcase their innovative and impactful solutions to community issues. 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. To increase CKC membership and improve the way CKC member organizations share the impact of their work, the Foundation provides capacity-building workshops focused on communications and storytelling.

As of March 31, 2019, CKC membership had grown to showcase 392 (2018 – 292) charitable organizations, a 34% (2018 – 25%) growth from the previous fiscal year end. In the coming years, additional resources will be allocated toward marketing campaigns, in order to increase awareness of CKC by the broader public.



Calgary’s Vital Signs®

Published annually since 2007, Calgary’s Vital Signs report features expert research combined with the results of a citizen survey, wherein Calgarians speak to areas critical to quality of life. Citizen engagement plays a key role in the Vital Signs process and over 2,200 (2018 – 2,500) Calgarians took the Vital Signs survey in 2019.

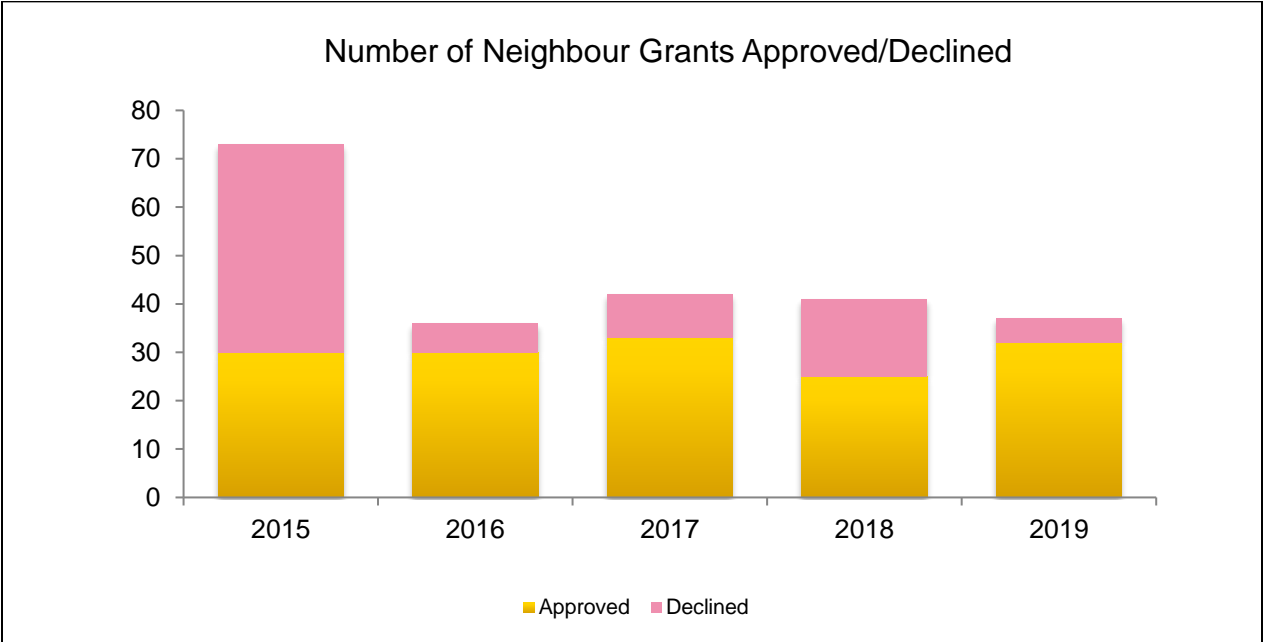
As a nationally coordinated initiative of Community Foundations of Canada, the Foundation was one of a number of community foundations across Canada publishing a Vital Signs report in 2019.

To strengthen the statistical validity of the results, a representative panel survey was conducted, in addition to the citizen survey. This allowed responses to be positioned from an individual’s perspective, as well as societal.

Calgaryvitalsigns.ca has been an important tool to share the results of the survey and key findings from the report.

Neighbour Grants Live

In September 2012, Calgary Economic Development (“CED”) launched the Soul of the City speaker series. The series aims to engage Calgarians and spark conversations about Calgary’s quality of life. Starting in 2014, CED and the Foundation partnered to offer Soul of the City Neighbour Grants. Five projects were supported at \$5,000 each and had their story told through the film “Our City, Our Soul: Five Neighbourhood Projects”. In 2016, RBC Foundation joined the partnership making each of the five grants now \$10,000. In 2017 the program was rebranded as Pitch Night: Neighbour Grants Live, a collaboration between RBC Foundation and Calgary Foundation.

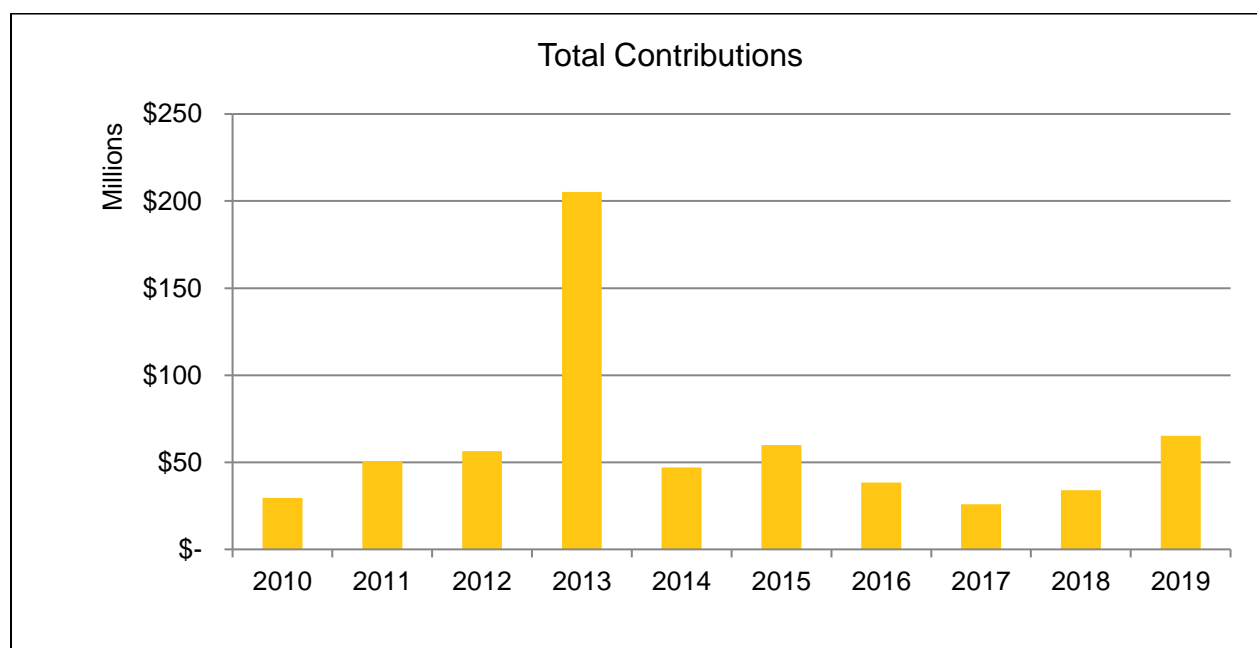


Donor Engagement

Desired Impact: Inform, inspire and educate existing and potential donors, donor families, professional advisors and charitable organizations about the unique value the Foundation brings to philanthropy.

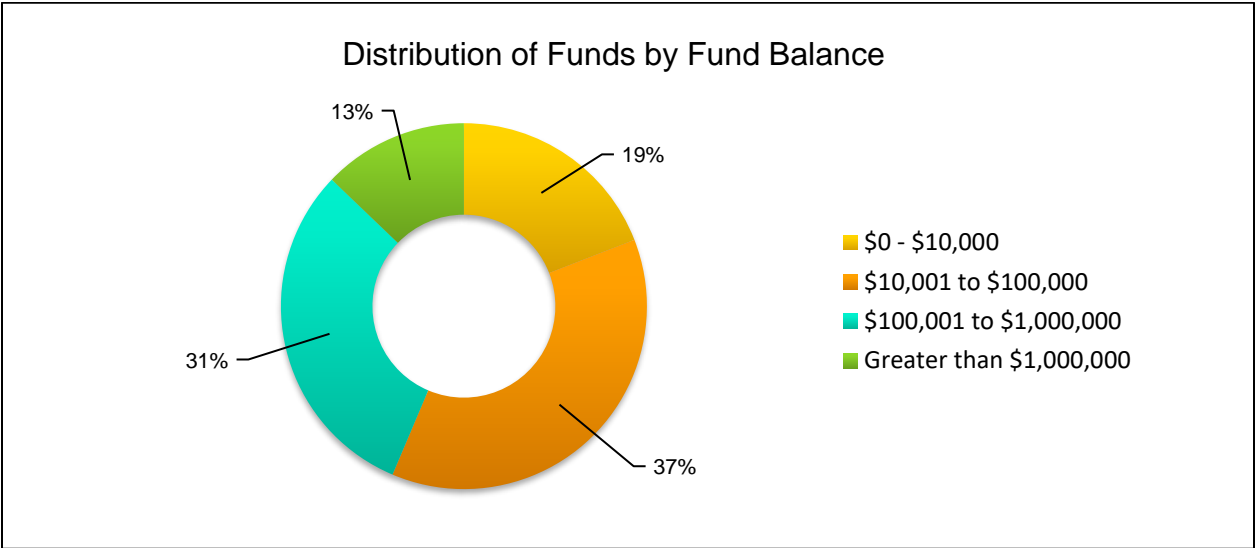
The Foundation is committed to continuously building our expertise and service offerings to scale and deepen donor stewardship, community knowledge, charitable sector capacity building and innovative philanthropy – such as impact investing. Our customized relationship management model offers each donor 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. Initially begun to share learnings in our Vital Priorities area, donor gathering events have been expanded to include community stakeholders.

Professional advisors remain the primary source of referrals of new donors. We are focused on continually growing our relationship 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. An advisor engagement committee, a core committee of the Foundation’s Board of Directors, has a refreshed mandate to cultivate and educate professional peers about the Foundation’s extensive gift planning services through traditional and non-traditional mediums.

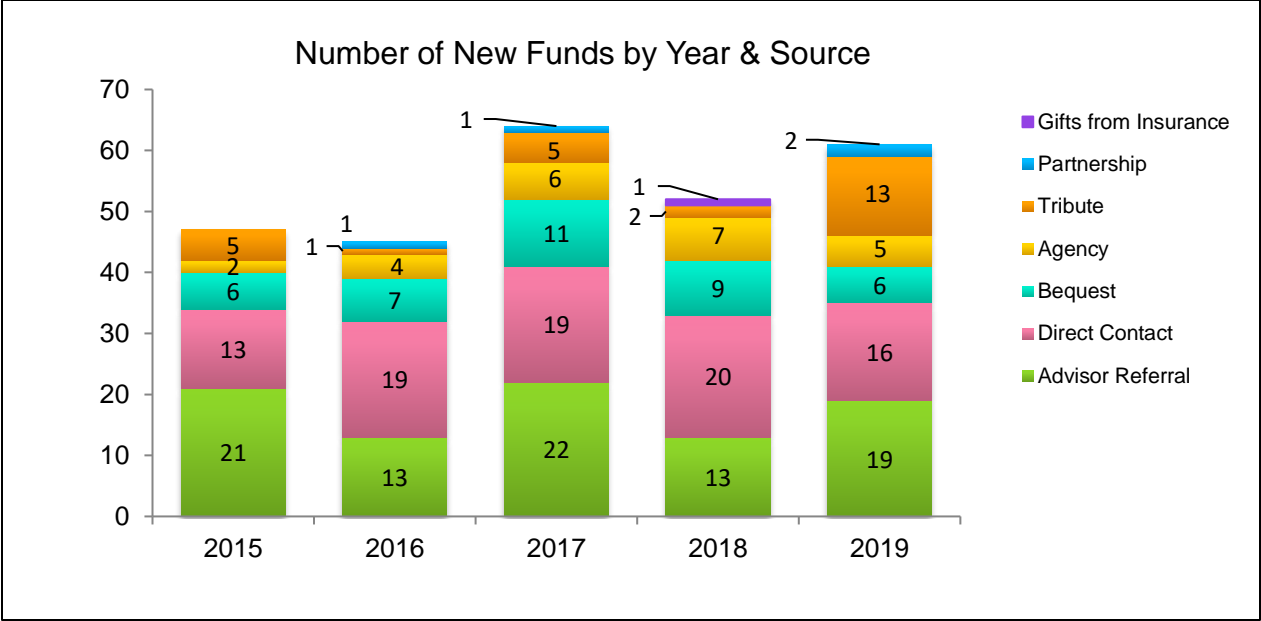


The Foundation welcomes gifts of any size, knowing that each gift – the impact multiplied when endowed – can further the mission. Although individual funds are established with a minimum of \$10,000 (or a commitment to reach \$10,000 in the near-term) in order to maximize the impact of grants from the fund and use operational resources in an efficient manner, gifts of any amount can build existing funds.

Fifty six percent (2018 – 58%) of all individual funds at March 31, 2019 had balances below \$100,000 and 19% (2018 – 34%) of that number represent funds established with less than \$10,000. These figures understate the number of funds established with less than \$10,000 due to investment growth through the many years of the Foundation’s existence.



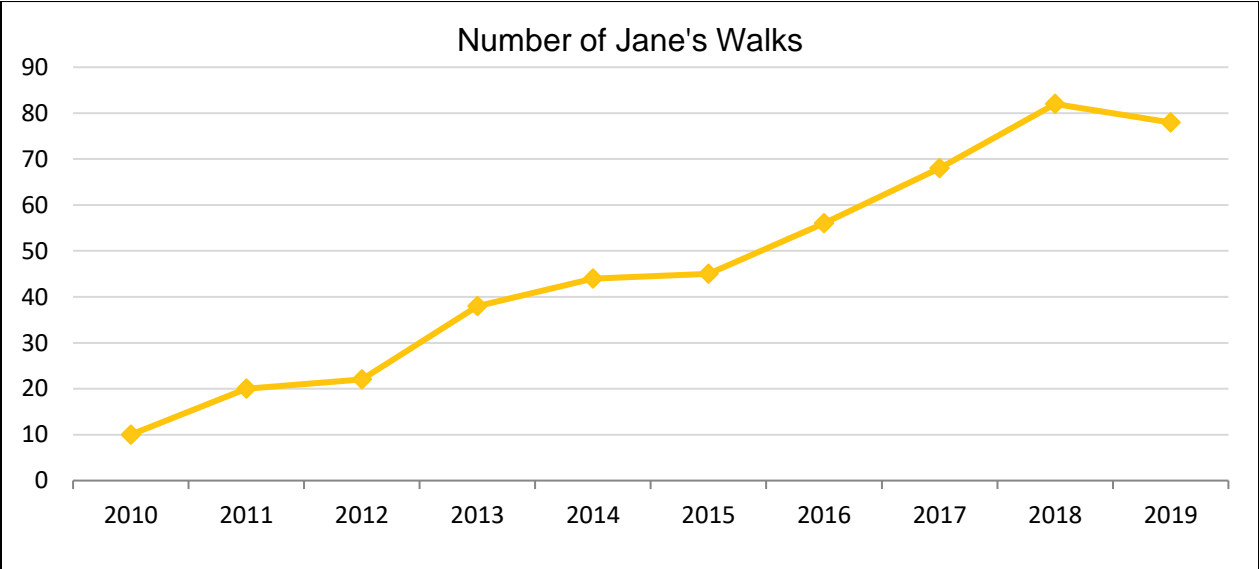
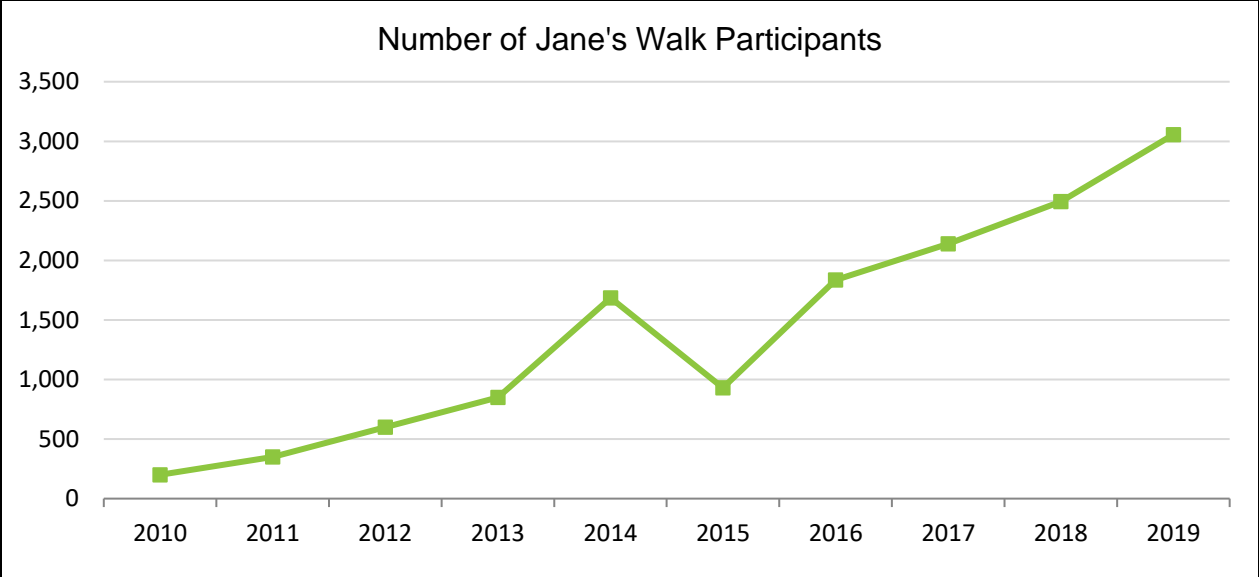
The Foundation works with existing and potential donors to create funds in many and diverse ways that best suit each individual or organization. The number of new funds established each year, both living and testamentary, has varied between 45 and 64 over the past five years. Direct contact with donors and referrals by professional advisors have been the primary sources of individual funds.

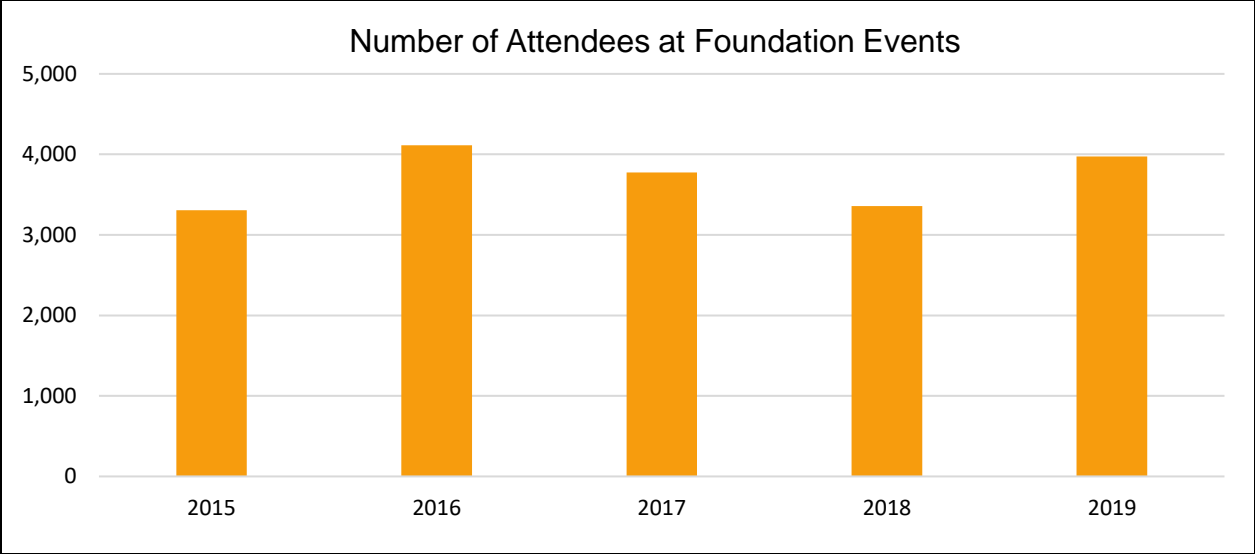


Public Confidence and Reputation

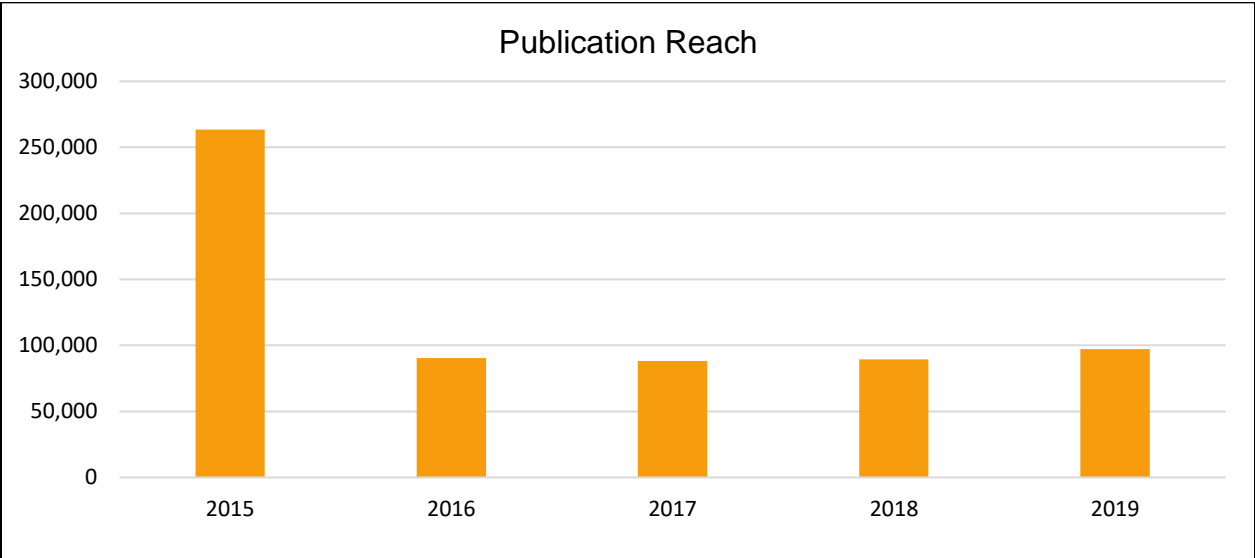
Desired Impact: Stakeholders and public knows and values the Foundation as a strategic advisor in philanthropy, an impactful grant maker and a knowledgeable community leader and convenor.

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. Typically, three events are hosted in a year. The annual Vital City event celebrates philanthropy and provides a Foundation year-in-review to an audience of over 600 citizens. *Neighbour Grants Live: Pitch Night* celebrates citizen-led projects that encourage neighbourliness. One of the Foundation’s largest initiatives is the annual Jane’s Walk weekend. Jane’s Walk 2018 had 78 volunteer-led walks (2017 – 84 walks), attended by a crowd of over 3,000 walkers (2017 – 2,400 walkers) – showing significant growth from just six walks and 100 walkers on its inception weekend in 2008.





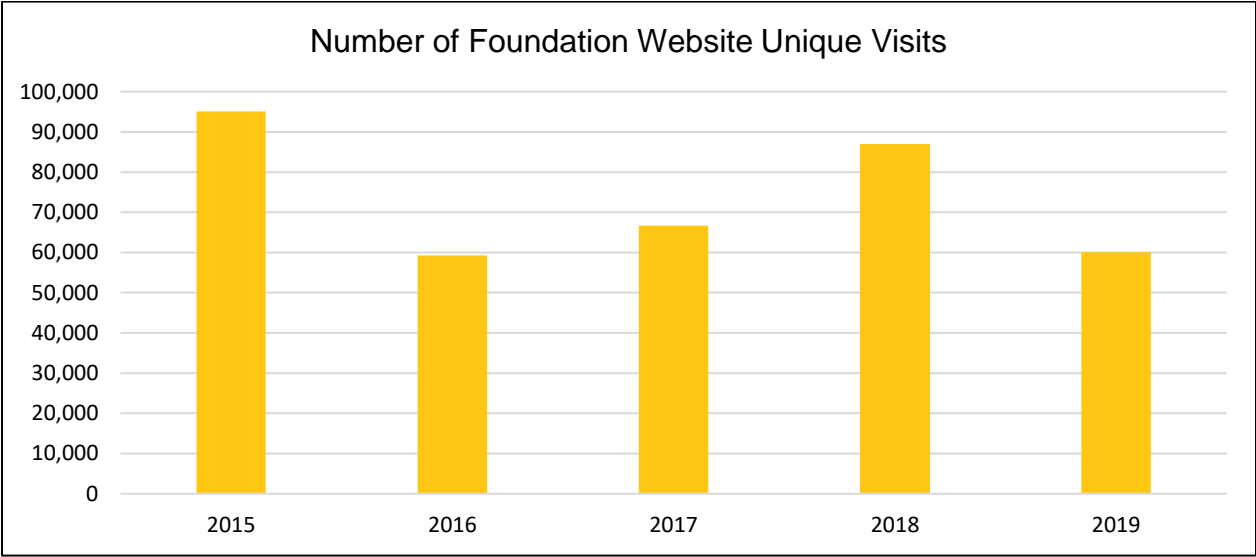
The Foundation’s external print publications include the Annual Report, Spur magazine, Calgary’s Vital Signs report and professional advisors’ newsletter, among others. The goal of all external publications is to grow the profile of the Foundation through compelling reporting. By sharing relevant research 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.

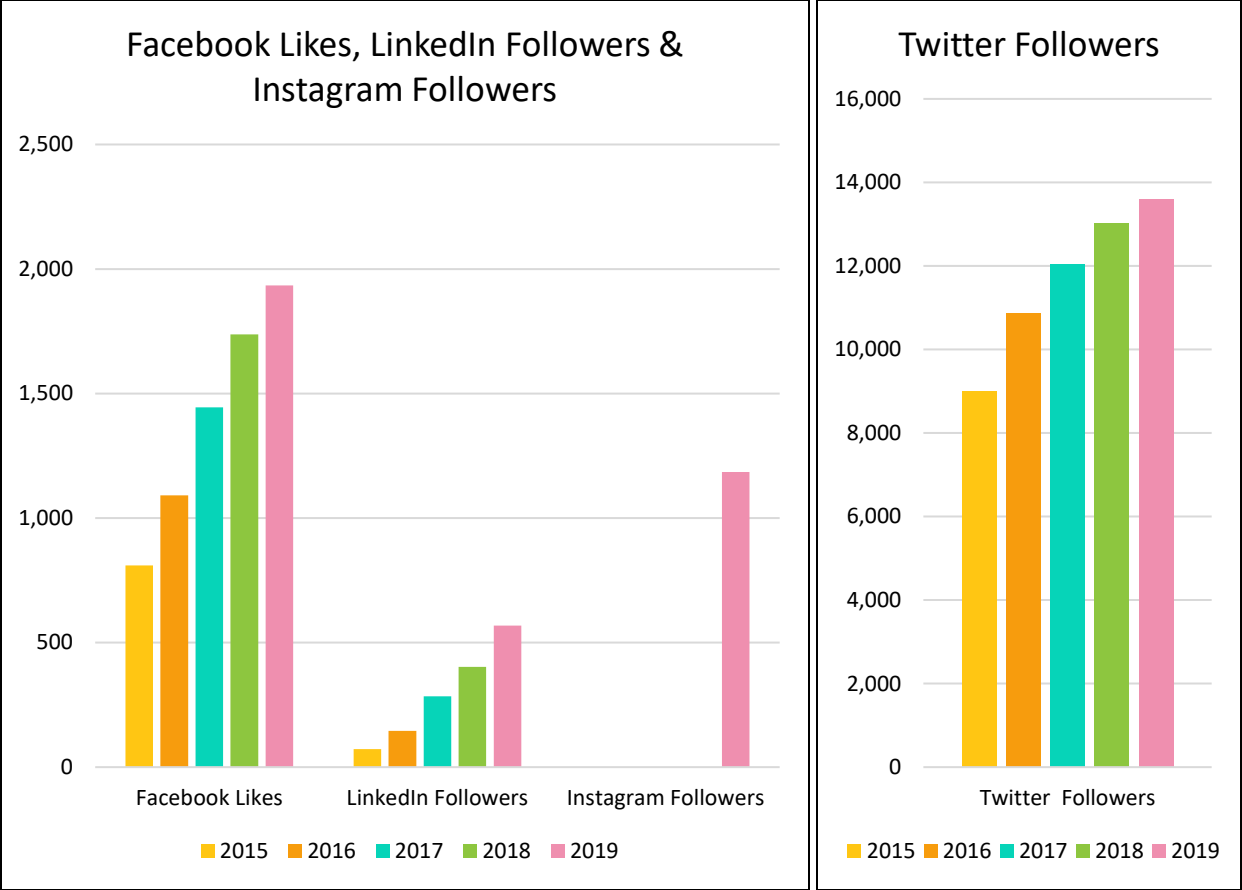


Social media platforms (Twitter, Facebook, Instagram and LinkedIn) are used for promotion and marketing of Foundation events, initiatives and publications and are also tools to amplify the work of the charitable sector and broader community. The Foundation is always refining and customizing channels and content to meet the needs of the Foundation and the organizations we

support. The Foundation posts to these platforms on a daily basis 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 DonorCentral, online grants and scholarship application portals, as well as make donations to existing funds. In keeping up with the growing demands and expectations of technology, the Foundation hosts several microsites – janeswalk.calgaryfoundation.org, calgaryvitalsigns.ca and ckc.calgaryfoundation.org.

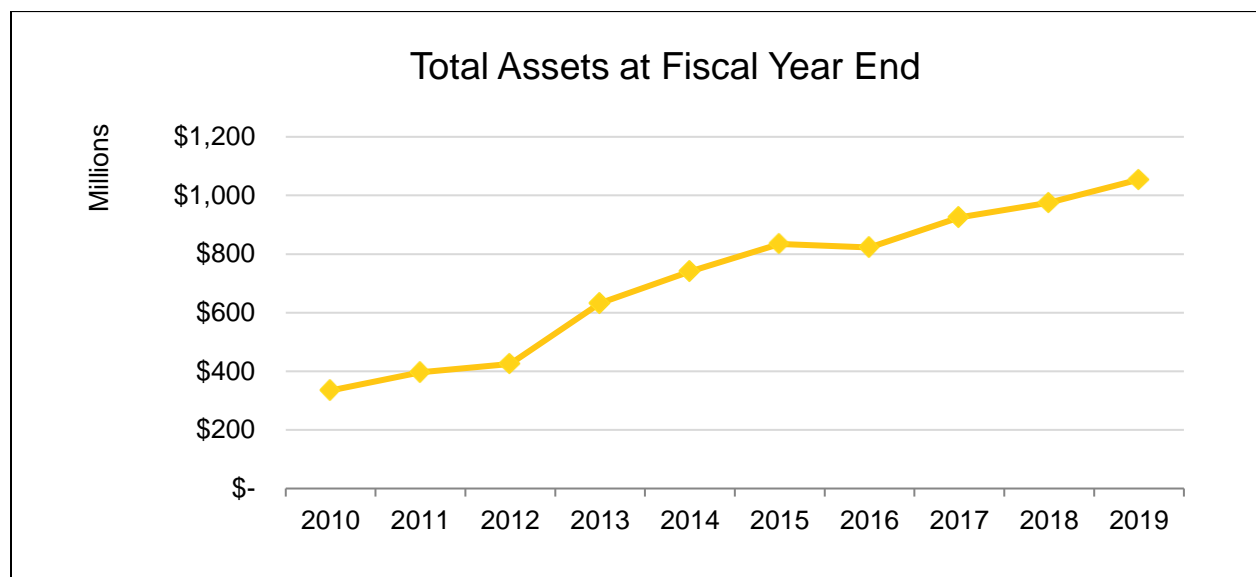




The Foundation’s solid reputation has resulted in long-standing partnerships with media. Regardless of the changing media landscape, the Foundation continues to build on strong media relationships, resulting in strong media coverage in 2018. Large initiatives like Vital Signs and Jane’s Walk typically see the biggest coverage, but ongoing coverage comes from news, radio and television outlets, as well as online reporting.

Financial Assets

Desired Impact: A growing distribution to maximize benefits/impact to community.



Investments

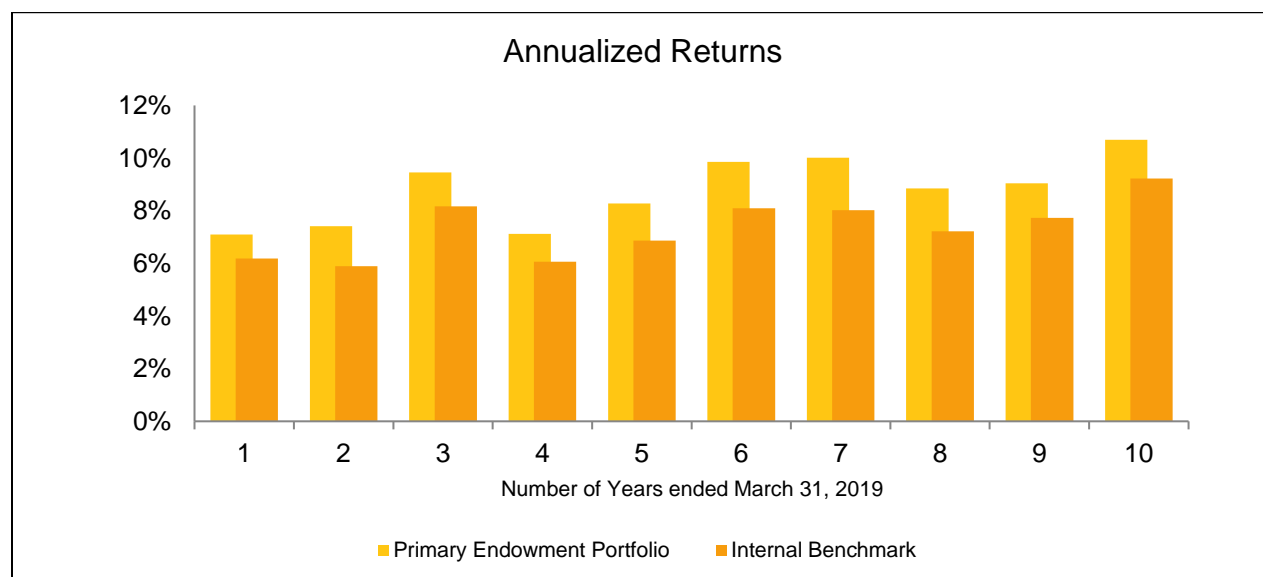
The Foundation has a robust management and governance structure in place to monitor and maintain the primary endowment portfolio (the “Endowment”) of \$971.1 million at March 31, 2019 which represents 92% of the charity’s total assets (2018 – \$890.7 million, 91% of total assets). The Foundation’s primary objective is to earn a rate of return over the long term that preserves the real purchasing power of the Endowment.

The Foundation recognizes that it must take on some risk to execute its strategy, and that there are uncertainties and complexities when investing in capital markets. Therefore, the Foundation utilizes the expertise of external investment managers that work in accordance with the Statement of Investment Policy (the “Policy”) to implement the strategy. The Policy formulates the objectives and principal governance for prudent investment of the Endowment and uses a total return strategy that adds capital gains to other potential income sources to achieve the long-term return objective.

	2019		2018	
	Annual Performance	Asset Allocation	Annual Performance	Asset Allocation
Endowment	7.1%		7.7%	
Asset Class:				
Cash and equivalents	1.5%	4.3 %	0.4%	2.8%
Canadian fixed income	5.2%	20.2 %	1.4%	15.6%
High yield bonds	n/a	n/a	2.2%	5.1%
Private debt	n/a	1.0 %	n/a	n/a
Canadian large cap equity	5.5%	20.0 %	3.6%	20.6%
Canadian small cap equity	2.4%	5.2 %	-0.2%	5.6%
U.S. equity	13.4%	11.2 %	10.0%	12.2%
EAFE equity	1.2%	12.7 %	15.6%	14.1%
Emerging market equity	-7.4%	4.7%	15.2%	5.5%
Real estate	13.5%	6.4 %	7.7%	5.8%
Private equity	28.7%	8.9 %	28.9%	8.3%
Infrastructure	8.3%	5.4 %	3.8%	4.4%

Endowment Portfolio Performance

The Endowment's internal performance benchmark is a weighting of indices based on the optimal asset mix outlined by the Policy. The chart represents the 1 – 10 year annualized performance for the period ended March 31, 2019.



Overall, calendar 2018 was a volatile year for markets with exceptionally strong swings in the last quarter. However, steady growth in the first quarter of calendar 2019 meant the Endowment finished the fiscal year with an absolute return of 7.1%, surpassing the Policy benchmark by nearly a full percent. The Foundation's ongoing effort to increase its allocation to alternative assets (real estate, infrastructure, private equity and private debt) was a major contributor to the positive total fund performance. Private equity's absolute return of 28.7% was the greatest contributor to the Endowment this year.

In 2018, pessimism among investors began to erode the prior year's bullish sentiment due to higher volatility across markets in a time of rising global macroeconomic uncertainty. The global economy began to decline in the latter part of 2018 under the pressure of interest rate moves, trade disputes, and rising populism. Multiple factors affected global investment visibility including Brexit and the spread of populism in Europe, a U.S. government shutdown, and U.S.-China trade wars. U.K. policymakers rejected Prime Minister Theresa May's Brexit deal with the European Union. After missing the March 29th deadline, the country must leave the bloc without a deal if May cannot get a withdrawal agreement ratified by the House of Commons before October 31st. Populist movements were also on the rise elsewhere in Europe including France, Italy and Germany where political tensions were high. Following trade conflict with the U.S., China implemented tax cuts and regulatory easing as its economy slowed. Meanwhile, a 35-day shutdown of the U.S. government over funding disputes related to a physical wall on the nation's border with Mexico saw a dip in U.S. markets. 2019 brought some relief to declining markets with progress made in U.S.-China trade negotiations and central bank commitments to expansionary policies. Also, within a few months of the government shutdown, U.S. economic growth saw a boost from tax cuts and fiscal stimulus. Still, the Foundation's international equity holdings were not immune to 2018's market decline achieving returns of 1.2%. U.S. equities on the other hand diverged from the declining trend returning 13.4% for the year. The deterioration of investor confidence was most pronounced in emerging markets equities, with losses occurring much earlier in 2018. As a result, the Foundation's emerging market equity portfolio saw losses of 7.4% during the period.

The Canadian economy declined in 2018 but strengthened marginally leading into the first quarter of 2019 – led by the financials and energy sectors. The strength of the Canadian economy is tied to commodity prices, particularly the price of oil. The National Energy Board found that pipeline operation is at full capacity which strengthens the argument for new infrastructure. In December, OPEC members and other major oil producing countries agreed to a production cut which helped drive the price of oil up by 30%. The market also reacted favourably to the Bank of Canada's announcement that it would slow the pace of interest rate increases. However, over the long term, investors seem poised for weakening growth prospects as the U.S. and Canadian 10-year government bond yields decline and the yield curve between three-month Treasury bills and 10-year notes in both countries invert – which can be a sign of a looming recession. Overall, the Endowment's Canadian equity investments (both large and small capitalization, "cap") saw weak returns at the beginning of the year, but saw modest gains leading into 2019 for a combined

annual return of 4.9% and fixed income holdings surpassed stocks at 5.2%.

The Foundation's alternative investments in real estate, infrastructure and private equity performed well for the period. Private equity continues to be the Foundation's top performer, as previously mentioned. The Foundation's real assets strategy focuses predominately on North American commercial real estate properties and global infrastructure investments. Real estate attained a total return of 13.5%, while infrastructure returned 8.3% – in line with expectations.

Management introduced a new asset class this fiscal year, private debt, by ending the Endowment's allocation to Canadian high yield bonds. Management's recommendation came from research showing that private debt offers higher yield potential at lower volatility with a greater commitment to capital preservation. The mandate focuses on direct lending to U.S. and European middle-market companies. Annual return figures will be available next fiscal year given the asset class has yet to complete a full year. Going forward, management will increase the Foundation's allocation to alternative assets by reducing exposure to public equity and fixed income. In addition, the Foundation will build-out its real asset allocation over the coming year.

Impact Investments

The Foundation's Community 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 at March 31, 2019, the Foundation's impact investment portfolio consists of the following five investments:

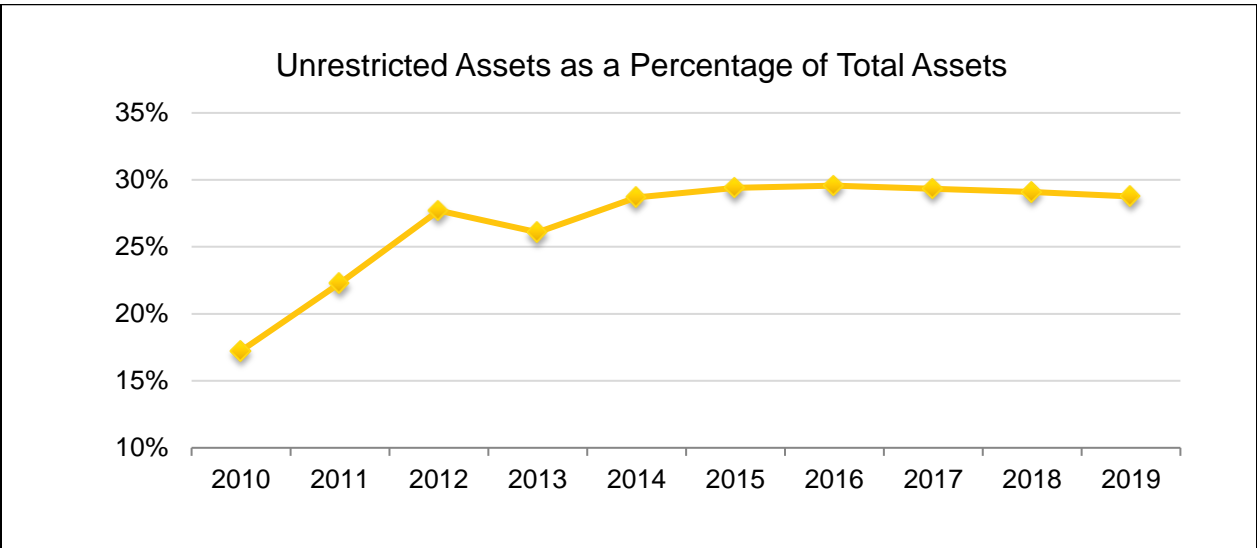
- **Inn from the Cold Society** borrowed \$1.5 million in 2017 (\$1.2 million principal remaining) to purchase an 11-unit apartment building to expand its Journey House program. Journey House helps families transition from the organization's emergency shelter into affordable housing.
- **The Kahanoff Centre for Charitable Activities** built a second tower, which doubles the amount of affordable office space the charity is able to offer to the not-for-profit sector. The Kahanoff Centre for Charitable Activities approached its shareholder, the Foundation, to guarantee construction and takeout financing and to provide up to a \$6.0 million loan in 2017 to aid in the expansion (\$2.5 million principal remaining).
- **The Jack Long Foundation** borrowed \$0.15 million in 2017 (\$0.15 million principal remaining) to purchase land from the City of Calgary for Elderhouse, an affordable seniors living facility.
- **The Calgary Drop-In and Rehab Centre** borrowed \$3.0 million in 2018 (\$3.0 million principal remaining) to help renovate a former hotel in the community of Greenview into an affordable supportive housing facility called Centre 4800.

- **The Calgary South West United Soccer Association** borrowed \$0.15 million in 2018 (\$0.15 million principal remaining) to help cover improvements to its new indoor soccer facility.

During the fiscal year the Autism and Aspergers Friendship Society of Calgary repaid its loan of \$0.18 million plus interest. Funds were used to train staff to implement a new software that helps autistic adults with daily independent living activities. As at March 31, 2019, the Foundation has lent \$10.0 million (2018 – \$9.8 million) to Calgary charities and non-profits since the program’s inception. The Foundation has \$8.8 million (2018 – \$3.0 million) earmarked for loans to specific charities and has received \$3.3 million (2018 – \$1.9 million) in principal and interest payments since the program’s inception to the end of the fiscal year.

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 fund assets have grown as a percentage of the total endowed funds from 17% in 2010 to 29% in 2019. This growth was driven primarily by one significant-sized bequest.

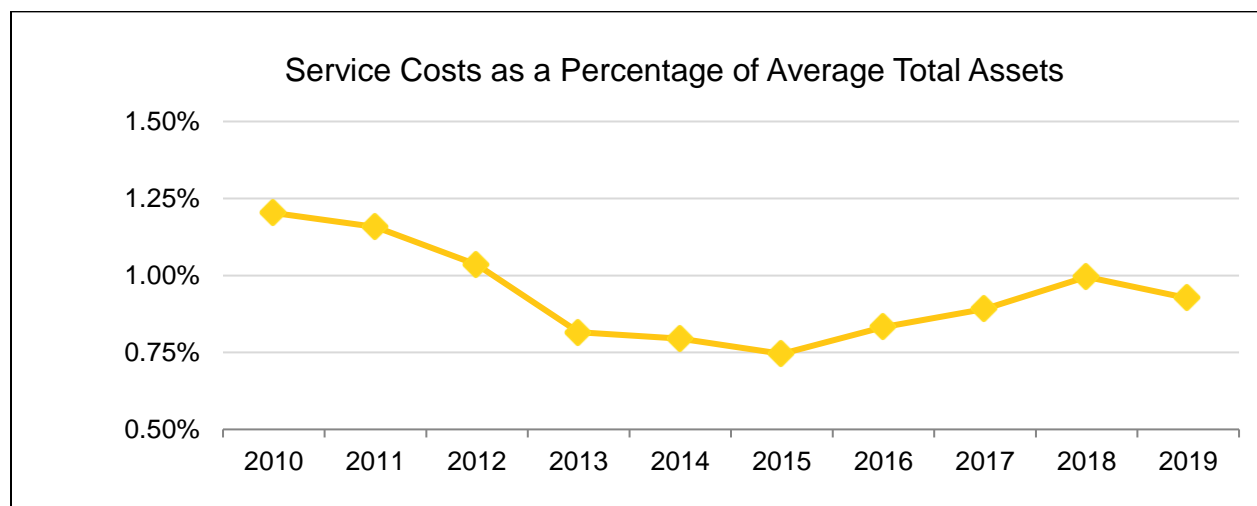


Organizational effectiveness

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.

Service costs as a percentage of average asset value has been commonly used by community foundations as a benchmark of efficiency. Service costs are impacted by the projects undertaken to support operations, the asset classes and structure of the investment management program, professional and technical costs directly attributable to gift acceptance and charitable initiatives in the community.

The Foundation aims to manage service costs to a range around 1% of average asset value.



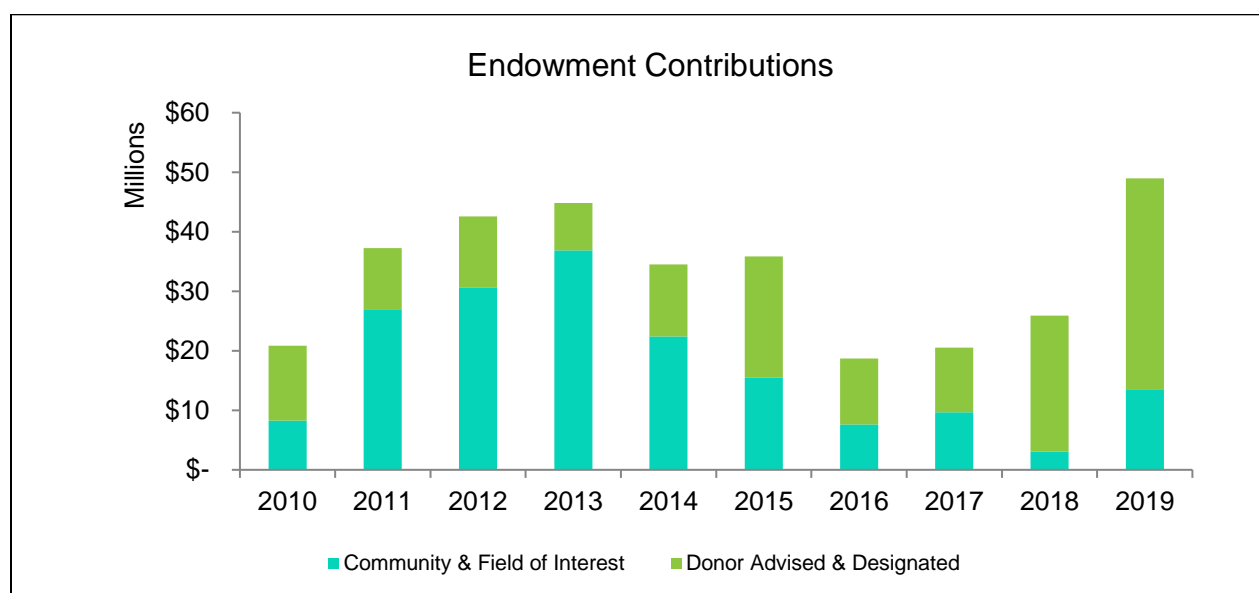
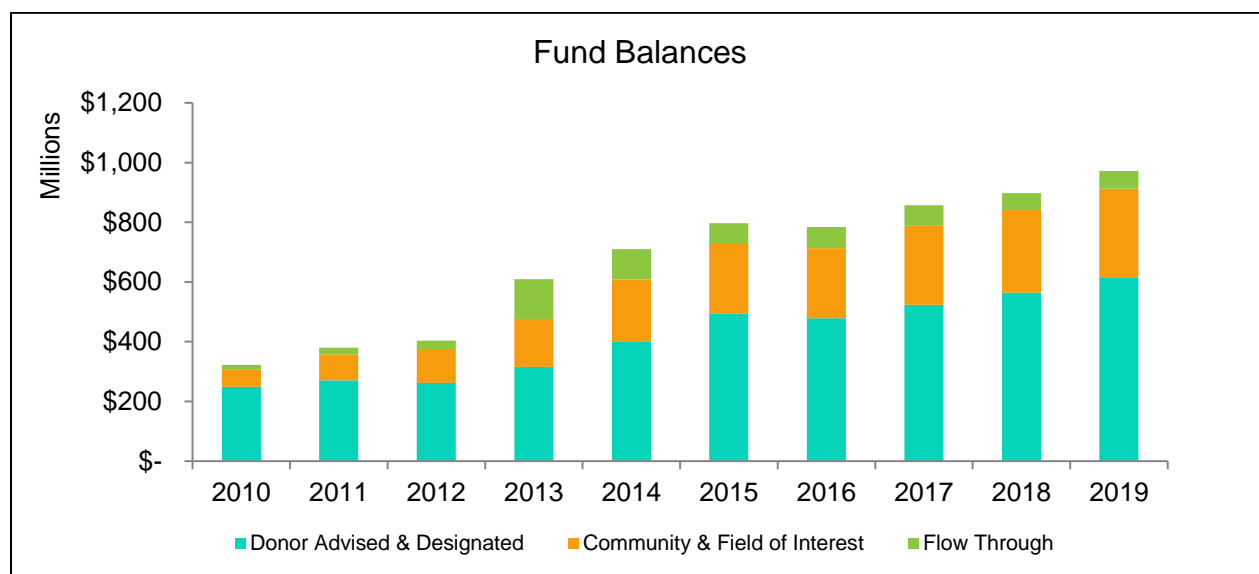
CAPABILITY TO DELIVER RESULTS AND HISTORICAL ANALYSIS

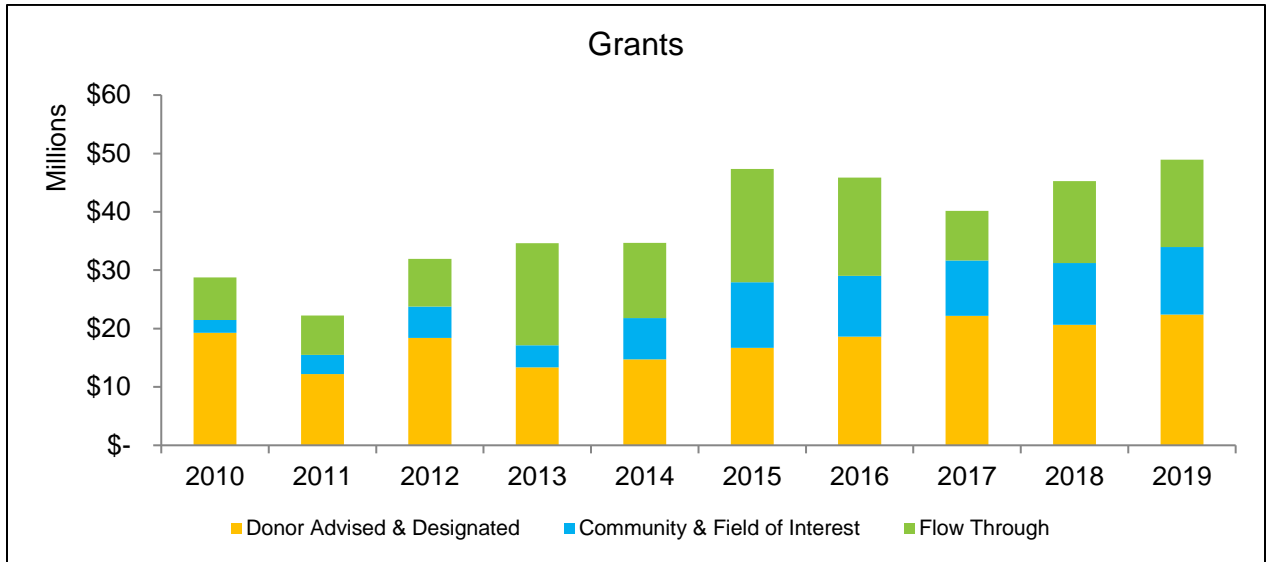
Assets

The Foundation's total assets under administration as at March 31, 2019 totalled \$1,054.3 million as compared to \$975.3 million at March 31, 2018. Of the total assets under administration at fiscal year-end, \$73.4 million (2018 – \$67.9 million) of assets represent funds administered for others. Funds administered for others are generally endowments owned by other charitable organizations. The funds administered for others liability is represented on the Consolidated Statement of Financial Position as a claim on the Foundation's primary endowment portfolio by these other charitable organizations.

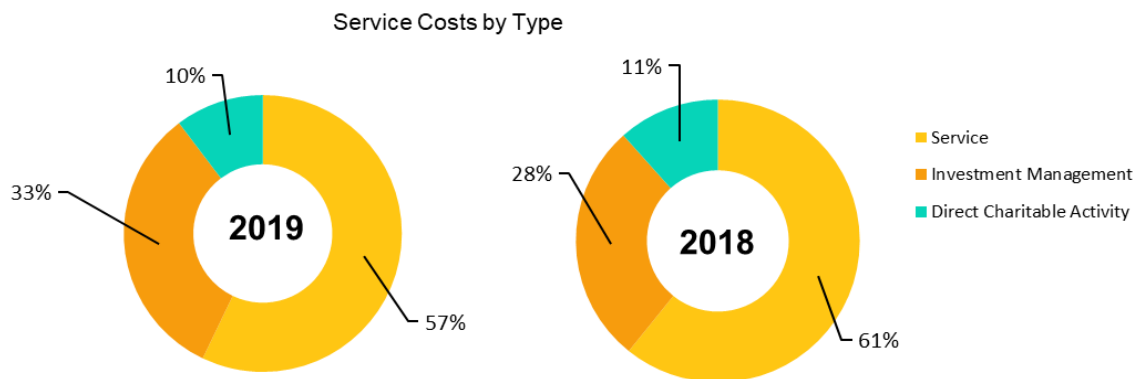
Operations

Further analysis of fund balances, or equity, endowment contributions and grants illustrates the allocation by Community & Field of Interest, from which grants are made at the discretion of the Foundation, 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.

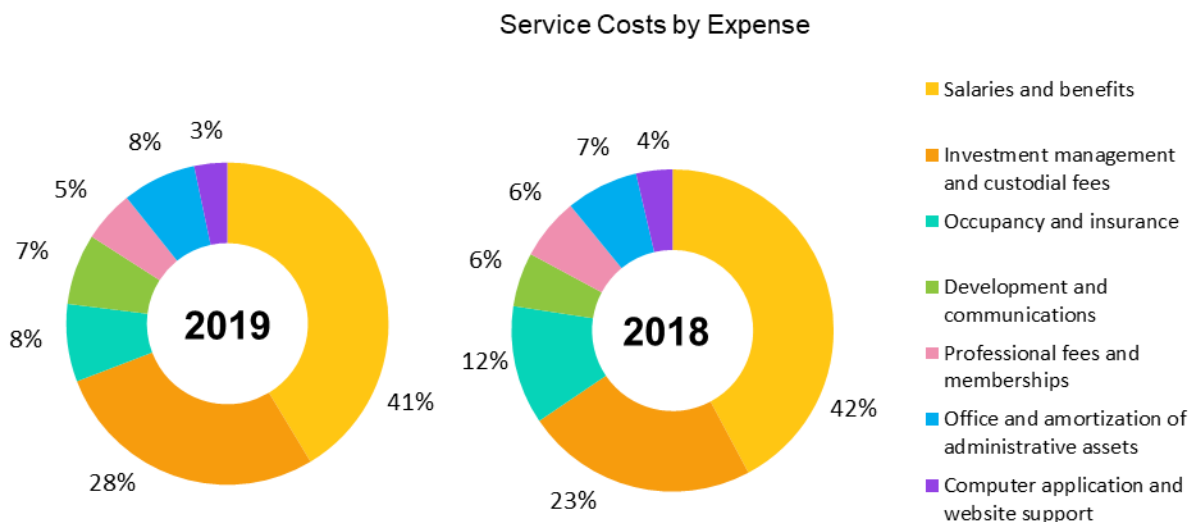




The service costs incurred to make progress in the key results areas and get traction on the mission are distinguished for management purposes between service costs (e.g. donor engagement, communications, accounting, computer support, general and administrative and related management), investment management costs (e.g. portfolio management, custodian, performance measurement and related management) and direct charitable activity costs (e.g. granting programs, proactive community leadership and related management). These costs totalled \$9.4 million (\$9.5 million in 2018).



The breakdown of total costs as per the financial statement presentation is as follows:



The service and investment management costs incurred to operate the Foundation that are not directly attributable to a particular gift are recovered from the funds. The recovery process is as follows:

- (i) A percentage of the market value of the individual endowment funds is recovered by way of a tiered schedule. The amount of this recovery totalled \$7.9 million in 2019 and \$7.7 million in 2018.
- (ii) Costs recovered from funds administered for others of \$0.8 million (\$0.8 million in 2018).

Interest earned on the money market instruments and fixed income securities, in which flow-through contributions are invested, totalled \$1.1 million (2018 – \$0.8 million). The majority of this revenue was previously used to fund service and investment management costs. Due to the continuing receipt of significant flow-through contributions, this interest revenue will be used to augment the funds available for unrestricted granting programs. This change to the use of the revenue was made possible by the growth in the primary endowment portfolio and the cost recovery therefrom.

Direct charitable activity costs are funded from the grant amounts available to spend from Community and Field of Interest funds.

PROSPECTIVE RISKS

The Foundation assumes that its operations in the 2020 fiscal year will be materially consistent with those in 2019. The Foundation follows a structured approach to enterprise risk management, wherein a risk register is established and risks are evaluated, and periodically re-evaluated, as to their consequence and likelihood. In light of existing mitigating factors such as financial controls, resource allocation to technology, organization-wide attention to strategic planning and governance oversight, two risks have been rated as having the highest potential negative impact on the Foundation's ability to carry out its mission:

Reputational Risk: Media & Third-Party Social Media Relations

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.

Strategic Risk: Shift in the Manner in which Next Generation are Inclined to Interact with Charitable Causes

Research has indicated that the next generation of donors (i.e. Millennials) are generally more inclined than other demographic cohorts to volunteer and respond to social media fundraising appeals. A concerted effort to engage the next generation has been established, is being continuously evaluated and has become core to management responsibilities. In late 2017, the Foundation partnered with Calgary Chamber of Commerce to establish 'GenYYC' – an immersive leadership program which brings together young leaders (aged 25-40) from the for-profit and non-profit sectors. GenYYC encourages innovation and collaboration in tackling some of our city's greatest social, cultural, environmental and health challenges, while growing Foundation brand awareness among this demographic.



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INDEPENDENT AUDITORS' 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, 2019;
- 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, 2019, 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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' 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 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 auditors' 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 auditors' report thereon, included in Management's Discussion and Analysis as at the date of this auditors' 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 auditors' 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.

Auditors' 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 auditors' 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.

KPMG LLP

Chartered Professional Accountants

June 3, 2019
Calgary, Canada

THE CALGARY FOUNDATION

Consolidated Statement of Financial Position

March 31, 2019, with comparative figures for 2018

	2019	2018
Assets (note 3)		
Current assets:		
Cash and cash equivalents	\$ 72,317,953	\$ 51,530,864
Prepaid expenses	293,574	350,192
Accrued investment income	811,959	684,138
Current portion of loans receivable (notes 5 and 11 (c))	281,038	347,140
	<u>73,704,524</u>	<u>52,912,334</u>
Investments, at fair value (note 4)	970,361,385	910,785,890
Loans receivable (notes 5 and 11 (c))	6,638,075	7,603,959
Other assets (note 6)	3,625,223	4,031,178
	<u>\$ 1,054,329,207</u>	<u>\$ 975,333,361</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,226,533	\$ 906,855
Grants payable	7,198,687	7,802,160
Deferred flow-through grants (note 7)	58,803,616	56,961,859
	<u>67,228,836</u>	<u>65,670,874</u>
Non-current grants payable	713,855	891,700
Funds administered for others (note 8)	73,363,725	67,890,450
Foundation funds:		
Community and Field of Interest funds (note 7)	296,943,092	275,992,835
Donor Advised and Designated funds (note 7)	616,079,699	564,887,502
	<u>913,022,791</u>	<u>840,880,337</u>
Subsequent event (note 5)		
Commitments and contingency (notes 9 and 11 (c))		
	<u>\$ 1,054,329,207</u>	<u>\$ 975,333,361</u>

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, 2019, with comparative figures for 2018

	Community & Field of Interest	Donor Advised & Designated	Flow-through	Total 2019	Total 2018
Revenue					
Contributions	\$ 13,536,407	\$ 35,452,656	\$ 16,191,147	\$ 65,180,210	\$ 33,944,362
Interest and dividends	6,578,111	13,212,518	174,922	19,965,551	17,660,704
Flow-through funds interest	893,844	–	168,350	1,062,194	774,458
Costs recovered from funds administered for others (note 8)	820,675	–	–	820,675	783,492
Realized capital gains (losses), net	8,602,563	17,404,675	(24,775)	25,982,463	26,316,710
Unrealized capital gains (losses), net	6,342,782	12,943,275	(5,240)	19,280,817	15,781,243
Total revenue	36,774,382	79,013,124	16,504,404	132,291,910	95,260,969
Expenditures					
Grants	(11,548,613)	(22,421,118)	(14,942,377)	(48,912,108)	(45,234,455)
Service costs, net (note 10)	(3,602,606)	(5,658,723)	(134,262)	(9,395,591)	(9,463,980)
Total expenditures	(15,151,219)	(28,079,841)	(15,076,639)	(58,307,699)	(54,698,435)
Transfers	(672,906)	258,914	413,992	–	–
Decrease (increase) in deferred flow-through grants	–	–	(1,841,757)	(1,841,757)	11,935,722
Change during the year	20,950,257	51,192,197	–	72,142,454	52,498,256
Balance, beginning of year	275,992,835	564,887,502	–	840,880,337	788,382,081
Balance, end of year	\$296,943,092	\$616,079,699	–	\$913,022,791	\$840,880,337

See accompanying notes to the consolidated financial statements.

THE CALGARY FOUNDATION

Consolidated Statement of Cash Flows

Year ended March 31, 2019, with comparative figures for 2018

	2019	2018
Cash provided from (used in):		
Operating activities:		
Change in Foundation funds	\$ 72,142,454	\$ 52,498,256
Change in deferred flow-through grants	1,841,757	(11,935,722)
Change in funds administered for others (note 8)	5,473,276	7,135,616
Change in funds	79,457,487	47,698,150
Change in non-current grants payable	(177,845)	(310,800)
Items not involving cash:		
Realized capital gain on sale of investments	(28,083,377)	(28,505,133)
Unrealized capital gain on investments	(20,928,938)	(16,949,245)
Contributions of non-cash gifts	(15,098,420)	(10,073,984)
Amortization of leasehold improvements and administration assets (note 10)	375,027	350,784
	15,543,934	(7,790,228)
Changes in non-cash working capital:		
Prepaid expenses	56,618	(90,874)
Accrued investment income	(127,822)	(42,553)
Accounts payable and accrued liabilities	319,678	(43,683)
Grants payable	(603,473)	2,372,123
	15,188,935	(5,595,215)
Investing activities:		
Purchase of leasehold improvement and administrative assets	(80,570)	(934,502)
Loans receivable (note 5)	(150,000)	(6,650,000)
Repayment of loans receivable (note 5)	1,181,987	1,887,026
Proceeds from sale of endowment investments	192,587,853	103,187,379
Proceeds from sale of flow-through investments	15,510,150	11,946,530
Purchase of endowment investments	(191,690,808)	(111,285,370)
Purchase of flow-through investments	(11,760,458)	(39,120,844)
	5,598,154	(40,969,781)
Net increase (decrease) in cash and cash equivalents	20,787,089	(46,564,996)
Cash and cash equivalents, beginning of year	51,530,864	98,095,860
Cash and cash equivalents, end of year	\$ 72,317,953	\$ 51,530,864

See accompanying notes to the consolidated financial statements.

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements

Year ended March 31, 2019, with comparative figures for 2018

1. Calgary Foundation (the “Foundation”)

(a) Description of the Foundation

The Foundation was incorporated in 1955 by 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

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.

(c) Funds administered for others

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

(d) Preservation of purchasing power

To support the policy of preserving the purchasing power of the permanent endowment funds, the Foundation limits the amount of annual grants to a percentage of the market value of each fund.

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

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 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. Instead, the Foundation discloses financial information about these controlled organizations as prescribed by part III, section 4450 of the CPA Handbook (note 11). These controlled organizations follow the deferral method of accounting for contributions.

(b) Financial instruments

Financial instruments are recorded at fair value. Financial instruments trading on a recognized public stock exchange are recognized 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. The fair value of alternative investments (real estate, infrastructure, private equity or private debt), typically structured as limited partnerships, is 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.

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

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

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 income receivable 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 and unrealized capital gains and losses are recorded in the statement of operations when earned.

(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 an original maturity date of three months or less.

(h) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of 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.

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

3. Assets by fund

	Community & Field of interest	Donor Advised & Designated	Flow-through	Funds Administered for Others	Total
Cash and cash equivalents	\$ 16,855,575	\$ 30,419,380	\$ 21,358,116	\$ 3,684,883	\$ 72,317,954
Prepaid expenses	293,574	–	–	–	293,574
Accrued investment income	257,390	402,483	103,184	48,901	811,958
Current portion of loan receivable	–	–	281,038	–	281,038
Investments, at fair value	284,785,361	584,987,180	30,958,903	69,629,941	970,361,385
Loan receivable	–	–	6,638,075	–	6,638,075
Other assets	2,559,437	1,065,786	–	–	3,625,223
March 31, 2019	\$ 304,751,337	\$ 616,874,829	\$ 59,339,316	\$ 73,363,725	\$ 1,054,329,207
March 31, 2018	\$ 283,803,990	\$ 556,271,551	\$ 57,367,671	\$ 67,890,449	\$ 975,333,361

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

4. Investments

The Foundation records its investments at fair value. The following table is a summary of the fair value of the Foundation's investments.

	2019	2018
Bonds and debentures		
Investment grade	\$228,349,661	\$176,376,500
High yield	–	45,466,805
	<u>228,349,661</u>	<u>221,843,305</u>
Private debt	10,386,545	–
Stocks		
Canada	242,314,457	232,462,158
International	283,179,590	292,117,405
	<u>525,494,047</u>	<u>524,579,563</u>
Real estate	62,731,678	51,217,712
Infrastructure	52,370,202	39,004,661
Private equity	91,029,252	74,140,649
	<u>\$970,361,385</u>	<u>\$910,785,890</u>

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.

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

5. Loans receivable (continued)

	2019	2018
Loan to Calgary Drop-In and Rehab Centre, \$90,000 repayable February 29, 2020 with the balance repayable February 28, 2021, bearing interest at 3% per annum.	\$3,000,000	\$ 3,000,000
Loan to Kahanoff Centre for Charitable Activities, does not have specified repayment terms, terms will be renegotiated on December 31, 2026 if there is an outstanding balance, bearing interest at 1.5% per annum until December 31, 2019 and increasing by 0.5% annually until January 1, 2024 (note 11 (c)).	2,465,154	3,300,000
Loan to Inn from the Cold Society, repayable by monthly installments of \$19,820, ending June 2024, bearing interest at 3% per annum.	1,153,959	1,353,915
Loan to Jack Long Foundation, repayable on demand, bearing interest at 4.75% per annum.	150,000	150,000
Loan to Calgary South West United Soccer Association, repayable in full June 2020, bearing interest at 5.50% per annum.	150,000	–
Loan to Autism Aspergers Friendship Society, repaid in full August 2018, bearing interest at 5.50% per annum.	–	147,184
Current portion of loans receivable	(281,038)	(347,140)
	\$6,638,075	\$7,603,959

Subsequent to March 31, 2019, the Foundation has executed a loan agreement with Knox United Church for a principal amount of \$1 million with an interest rate of 3.5% per annum repayable on demand. The Foundation is also close to executing an additional loan agreement for a principal amount of \$5 million. Loan terms and final closing is subject to certain standard conditions and is expected to occur before the end of June 2019.

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

6. Other assets

	2019	2018
Cash surrender value of donated life insurance policies	\$1,065,786	\$ 1,177,267
Leasehold improvements, net of accumulated amortization of \$817,501 (2018 – \$513,223)	2,356,330	2,660,199
Administrative assets, net of accumulated amortization of \$463,626 (2018 – \$393,446)	198,107	188,309
Miscellaneous	5,000	5,403
	\$3,625,223	\$4,031,178

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

	2019			2018	
	Premiums paid	Cash surrender value	Face value	Face value	
Whole life policies	\$ 103,700	\$ 1,065,786	\$ 14,748,257	\$ 14,934,713	
Term life policies	4,178	–	390,000	615,000	
	\$ 107,878	\$ 1,065,786	\$ 15,138,257	\$ 15,549,713	

The cash surrender value of donated life insurance policies is recorded as an asset. As the realizable amount in excess of the cash surrender value is not certain, the Foundation will record the benefits when the receipt of the proceeds can be estimated and collection is reasonably assured.

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

7. Foundation funds

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

	2019	2018
Community	\$ 237,678,761	\$ 219,697,079
Field of Interest	59,264,331	56,295,756
	<u>\$ 296,943,092</u>	<u>\$ 275,992,835</u>
Donor Advised	\$ 339,802,288	\$ 306,693,209
Designated	276,277,411	258,194,293
	<u>\$ 616,079,699</u>	<u>\$ 564,887,502</u>
Deferred flow-through	58,803,616	56,961,859
	<u>\$ 971,826,407</u>	<u>\$ 897,842,196</u>

Deferred flow-through grants represent flow-through contributions received prior to March 31, 2019 and not granted at fiscal year end, net of investment gains and losses and service costs, if applicable. These amounts are deferred and recorded as a liability until the grants are designated and paid.

8. Funds administered for others

a) Change in Funds administered for others

	2019	2018
Increases		
Deposits	\$ 3,526,549	\$ 4,250,939
Interest and dividends	1,611,259	1,450,679
Realized capital gains, net	2,100,916	2,188,424
Unrealized capital gains, net	1,648,121	1,168,002
Total increases	8,886,845	9,058,044
Decreases		
Withdrawals	(2,592,895)	(1,138,936)
Service costs	(820,675)	(783,492)
Total decreases	(3,413,570)	(1,922,428)
Change during the year	5,473,275	7,135,616
Balance, beginning of year	67,890,450	60,754,834
Balance, end of year	<u>\$73,363,725</u>	<u>\$67,890,450</u>

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

8. Funds administered for others (continued)

b) Assets held on the statement of financial position:

	2019	2018
Canadian Hockey Foundation	\$ 10,627,266	\$ 10,846,145
Genesis Centre Common Areas Lifecycle Reserve Account	9,510,947	8,905,673
Anonymous Account	9,504,785	8,912,126
Calgary Academy Account	5,432,018	5,086,326
Genesis Centre Common Areas Operating Reserve Account	5,379,469	5,390,630
Ann & Sandy Cross Conservation Area	4,475,990	4,474,084
NECCS Capital Maintenance (Life Cycle) Reserve Account	3,320,611	3,117,927
NECCS Operating Reserve Account	2,557,120	1,915,817
Calgary Public Library Foundation Account	2,087,692	508,268
CSPG Foundation Account	1,553,506	1,605,290
Kerr Account for Calgary Grace Lutheran Church	1,505,356	1,472,162
Estelle J. Siebens Outreach Endowment Fund	1,417,142	1,382,117
Calgary Quest Children's Society Account	1,267,179	1,191,346
Safe Haven Foundation Managed Fund	1,208,009	1,208,655
Stockmen's Memorial Foundation Account	1,201,468	1,078,953
CSEG Foundation Account	1,140,692	972,830
Foothills Academy Society Bursary Trust	1,105,917	1,079,143
Rotary Club of Calgary Account	1,032,699	1,064,898
Knox United Church Foundation of Calgary Account	891,044	787,643
Alberta Emerald Foundation Account	783,361	761,632
Calgary Highlanders Regimental Funds Foundation	749,619	703,311
Habitat for Humanity Southern Alberta Society Account	659,712	620,499
Vecova Centre Account	656,913	616,332
Christ Church Endowment Trust Account	609,931	557,165
Fig Tree Foundation Account	553,699	604,125
Bow River Basin Council Society Account	545,307	534,023
Sonshine Society of Christian & Community Services Account	524,265	-
CLERC Account	491,425	636,649
Foothills Academy Tuition Assistance Fund	473,409	462,026
Camp Okotoks Society Fund	458,168	465,912
Inside Education Account	421,669	-
KidSport Calgary and Area Account	405,628	381,518
Friends of Canadian Simmental Foundation	364,964	-
Calgary Centre for Global Community Account	231,159	217,420
Brown Bagging for Calgary Street Kids Society Account	215,586	329,805
	\$ 73,363,725	\$ 67,890,450

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

9. Commitments

The Calgary Foundation Investment Trust has unfunded investment commitments relating to real estate, infrastructure and private equity limited partnerships.

Asset class	Currency		
	Canadian dollar	US dollar	Euro
	March 31, 2019		
Commitments, unfunded	\$ 8,955,331	\$ 120,866,995	€ 30,859,199
Private debt	–	17,487,334	25,000,000
Real estate	8,955,331	14,600,469	–
Infrastructure	–	36,142,852	–
Private equity	–	52,636,340	5,859,199

Asset class	Currency		
	Canadian dollar	US dollar	Euro
	March 31, 2018		
Commitments, unfunded	\$ 887,353	\$ 122,873,235	€ 7,859,199
Real estate	887,353	20,752,422	–
Infrastructure	–	43,631,896	–
Private equity	–	58,488,917	7,859,199

At March 31, 2019, the unfunded investment commitments denominated in U.S. dollars is \$120.9 million (2018 – \$122.9 million), translated into Canadian dollars in the amount of \$161.5 million (2018 – \$158.4 million). The unfunded investment commitments denominated in Euros is €30.9 million (2018 – €7.9 million), translated into Canadian dollars in the amount of \$46.4 million (2018 – \$12.5 million). The unfunded amounts may be called by the limited partnerships on demand.

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

9. 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. The future annual payments under the lease are estimated to be:

2020	\$ 672,000
2021	672,000
2022	672,000
2023	672,000
2024	672,000
Thereafter	1,624,000
	<u>\$4,984,000</u>

10. Service costs

	2019	2018
Salaries and benefits	\$3,881,686	\$3,984,370
Investment management and custodial fees	2,609,143	2,202,615
Occupancy and insurance	730,187	1,124,097
Development and communications	668,035	513,035
Amortization of leasehold improvements and administration assets	375,027	350,784
Office	320,860	334,754
Computer application and website support	311,841	345,359
Professional fees	307,198	413,670
Memberships	178,740	174,256
Premiums to maintain life insurance policies	107,878	143,410
Contributions to pay premiums to maintain life insurance policies	(95,004)	(122,370)
	<u>\$9,395,591</u>	<u>\$9,463,980</u>

The Foundation recovers service costs from Community & Field of Interest and Donor Advised & Designated funds by way of a cost recovery based on the market value of each fund. 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.

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

11. Controlled organizations

(a) Esther Honens Calgary International Piano Competition Foundation

The Foundation is the beneficial owner of all the shares of the Esther Honens Calgary International Piano Competition Foundation (“Competition Foundation”) which is responsible for a piano competition 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, 2019 the market value of the four funds totalled \$15.5 million (2018 – \$15.0 million).

Esther Honens Calgary International Piano Competition Foundation		
As at and for the year ended	December 31, 2018	December 31, 2017
Revenues	\$1,974,313	\$1,574,135
Revenues from the endowment funds	599,112	570,300
Expenses	2,150,580	1,358,727
Assets	423,844	747,374
Liabilities	245,416	392,680
Shareholders’ equity (deficiency)	178,428	354,694

(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, 2019 the Luxton Historical Foundation Fund had a market value of \$5.8 million (2018 - \$5.6 million).

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

11. Controlled organizations (continued)

(b) Eleanor Luxton Historical Foundation (continued):

The Luxton Foundation financial statements were audited in 2015. The financial statements have been subject to review in each year since.

Eleanor Luxton Historical Foundation		
As at and for the year ended	December 31, 2018	December 31, 2017
Revenues	\$350,011	\$279,928
Revenues from the endowment fund	222,262	214,384
Expenses	247,364	216,632
Assets	1,299,053	1,201,440
Liabilities	6,544	11,578
Unrestricted net assets	201,081	101,228

(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, 2018	December 31, 2017
Revenues	\$4,770,343	\$4,762,920
Expenses	5,776,341	5,920,498
Assets	45,949,548	47,916,873
Liabilities	38,932,417	39,893,744
Unrestricted (deficit) surplus	(2,676,137)	(1,670,139)

In the Foundation's fiscal year ended March 31, 2019, a grant of \$10,000 was approved and paid from a Community fund to the Kahanoff Centre (2018 - \$nil).

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

11. Controlled organizations (continued)

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

The Kahanoff Centre completed the expansion of its capacity to provide office space to Calgary not-for-profit organizations by constructing a second building on property owned by the Kahanoff Centre immediately to the east of its existing building. The Foundation has guaranteed up to \$37.5 million of financing related to the mortgage on the facility. As of March 31, 2019, the Kahanoff Centre has an outstanding mortgage balance with the lender of \$35.1 million (2018 – \$36.2 million).

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 Kahanoff Centre repaid \$0.8 million of the original loan (2018 – \$1.7 million).

The Foundation paid \$0.7 million (2018 – \$0.6 million) in lease payments to the Kahanoff Centre.

12. Significantly influenced organizations

Calgary Stampede Foundation

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, 2019, grants totalling \$41,500 were approved and paid from Donor Advised and Flow-through funds to the Stampede Foundation (2018 - \$10,500 from Community and Flow-through funds).

13. Fund-raising expenses and other

The Foundation is required to disclose, as required 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 (2018 - \$4,550). The total amount paid as remuneration to employees of the Foundation whose principal duties involve fundraising was \$475,183 (2018 - \$460,010).

No disposition of contributions that is equal to or exceeds 10% of the gross contributions received for the twelve-month period ended March 31, 2019 was made (2018 - A grant of \$3.9 million to a public foundation for its charitable work exceeded 10% of the gross contributions).

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

14. Financial instruments

The Foundation's financial instruments included in the consolidated statement of financial position are comprised of cash and cash equivalents, 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 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, loans receivables, 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 limited partnerships in private 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 at fair value as at March 31, 2019					
	Level 1	Level 2	Level 3	Total	
Bonds and debentures, Investment grade	\$ –	\$228,349,661	\$ –	\$ 228,349,661	
Stocks, Canada	242,314,457	–	–	242,314,457	
Stocks, International	283,179,590	–	–	283,179,590	
Private debt	–	–	10,386,545	10,386,545	
Real estate	–	–	62,731,678	62,731,678	
Infrastructure	–	–	52,370,202	52,370,202	
Private equity	–	–	91,029,252	91,029,252	
	\$525,494,047	\$228,349,661	\$216,517,677	\$ 970,361,385	

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

14. Financial instruments (continued)

	Investments at fair value as at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Bonds and debentures, Investment grade	\$ –	\$176,376,500	\$ –	\$ 176,376,500
Bonds and debentures, High yield	–	45,466,805	–	45,466,805
Stocks, Canada	232,462,158	–	–	232,462,158
Stocks, International	292,117,405	–	–	292,117,405
Real estate	–	–	51,217,712	51,217,712
Infrastructure	–	–	39,004,661	39,004,661
Private equity	–	–	74,140,649	74,140,649
	\$ 524,579,563	\$221,843,305	\$ 164,363,022	\$ 910,785,890

15. 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 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.

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

15. 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, loans receivable and bonds and debentures are subject to credit risk. The maximum exposure to credit risk on these instruments is their carrying value. The Foundation manages the risk by ensuring compliance with the limits to the credit exposure for the 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 March 31, 2019, the Foundation's credit exposures in its fixed income portfolios were as follows:

Credit rating	Percentage of the market value of the fixed income portfolios	
	Investment grade bond	High yield bond
Bonds and debentures, at fair value	\$228,349,661	—
AAA	38.4%	—
AA	24.8%	—
A	27.2%	—
BBB	9.5%	—
<BBB	0.1%	—

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

15. Financial risk management (continued)

(a) Credit risk: (continued)

Credit rating	Percentage of the market value of the fixed income portfolios	
	Investment grade bond	High yield bond
Bonds and debentures, at fair value	\$176,376,500	\$ 45,466,805
AAA	41.5%	0.8%
AA	27.6%	2.3%
A	22.3%	–
BBB	8.6%	7.1%
BB	–	31.0%
<BB	–	58.8%

The management of credit risk has not changed materially during the year.

(b) Liquidity risk:

Liquidity risk is the risk that the Foundation will not be able to meet its liabilities as they fall due. A majority of the Foundation's assets are investments traded in active markets that can be readily liquidated and therefore the Foundation's liquidity risk is considered minimal. In addition, 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.

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

15. Financial risk management (continued)

(c) Market risk (continued):

(i) Currency risk:

Investments in securities denominated in foreign currencies are exposed to currency risk due to fluctuations in foreign exchange rates. The Foundation is exposed to currency risk on its foreign market common stock and its foreign market bonds and debentures, 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.

Currency	Percentage of the market value of investments	
	2019	2018
Investments, at fair value	\$970,361,385	\$910,785,890
Canadian dollar	52.1%	50.5%
US dollar	28.8%	30.1%
Euro	7.4%	7.9%
British pound	3.3%	3.2%
Japanese yen	1.4%	1.8%
Other	6.9%	6.5%

Total unhedged investments held in foreign currencies as at March 31, 2019 were \$465,018,935, 47.9% of investments (2018 - \$450,799,123, 49.5%). The most significant exposure to currency risk is \$279,825,290, 28.8% of investments (2018 - \$274,091,776, 30.1% 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, 2019 would have increased (decreased) net assets and investment income for the year by \$28.0 million (2018 - \$27.4 million). This analysis assumes that all other variables, in particular interest rates, remained constant.

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

15. Financial risk management (continued)

(c) Market risk (continued):

(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 bond portfolios had an average duration as follows:

	2019	
	Investment grade bond	High yield bond
Bonds and debentures, at fair value	\$228,349,661	–
Duration (years)	6.6	–
Assumed increase in interest rates	+1%	–
Approximate resulting decrease in value	\$(15.1 million)	–
Approximate resulting percentage decrease	(6.6%)	–
Assumed decrease in interest rates	–1%	–
Approximate resulting increase in value	\$15.1 million	–
Approximate resulting percentage increase	6.6%	–
	2018	
	Investment grade bond	High yield bond
Bonds and debentures, at fair value	\$176,376,500	\$45,466,805
Duration (years)	5.9	3.4
Assumed increase in interest rates	+1%	+1%
Approximate resulting decrease in value	\$(10.4 million)	\$(1.5 million)
Approximate resulting percentage decrease	(5.9%)	(3.4%)
Assumed decrease in interest rates	–1%	–1%
Approximate resulting increase in value	\$10.4 million	\$1.5 million
Approximate resulting percentage increase	5.9%	3.4%

THE CALGARY FOUNDATION

Notes to the Consolidated Financial Statements, continued

Year ended March 31, 2019, with comparative figures for 2018

15. Financial risk management (continued)

(c) Market risk (continued):

(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 portfolio. 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.

	2019	
	Canada	International
Stocks, at fair value	\$242,314,457	\$283,179,590
Assumed increase in market prices	+7%	+7%
Approximate resulting increase in value	\$17.0 million	\$19.8 million
Assumed decrease in market prices	-7%	-7%
Approximate resulting decrease in value	\$(17.0 million)	\$(19.8 million)

	2018	
	Canada	International
Stocks, at fair value	\$232,462,158	\$292,117,405
Assumed increase in market prices	+7%	+7%
Approximate resulting increase in value	\$16.3 million	\$20.4 million
Assumed decrease in market prices	-7%	-7%
Approximate resulting decrease in value	\$(16.3 million)	\$(20.4 million)

16. Comparative figures

Certain comparative figures have been restated to conform to the current year presentation.

17. Government remittances

The Foundation has no significant outstanding government remittances as at March 31, 2019 (2018 – \$nil).