

Financial Statements of

**ALBERTA CANCER
FOUNDATION**

And Independent Auditor's Report thereon

Year ended March 31, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of the Alberta Cancer Foundation

Opinion

We have audited the financial statements of the Alberta Cancer Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations and changes in fund balances for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2025, and its results of operations, its changes in fund balances, its remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "2025 Report To Our Community".

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.

The information, other than the financial statements and auditors' report thereon, included in a document likely to be entitled "2025 Report To Our Community" is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Edmonton, Canada

May 27, 2025

ALBERTA CANCER FOUNDATION

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ALBERTA CANCER FOUNDATION

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 16,332,009	\$ 7,711,323
Accounts receivable and prepaid expenses (note 4)	3,059,521	4,074,057
Pledges receivable (note 3)	1,360,000	27,117,466
Short-term investments (note 4)	34,000,000	81,800,000
	<u>54,751,530</u>	<u>120,702,846</u>
Long-term investments (note 4)	253,433,147	175,710,207
Capital assets (note 5)	1,793,593	715,459
	<u>\$ 309,978,270</u>	<u>\$ 297,128,512</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,718,615	\$ 557,172
Due to Alberta Health Services (note 9)	676,788	687,594
Deferred revenue and deposits	348,500	771,751
	<u>7,743,903</u>	<u>2,016,517</u>
Fund balances (note 6):		
Unrestricted Fund	3,684,338	1,546,382
Externally Restricted Fund	155,935,813	146,011,151
Internally Restricted Fund	54,599,433	45,787,241
Endowment Fund	89,391,181	87,089,734
Capital Asset Fund	1,793,593	715,459
	<u>305,404,358</u>	<u>281,149,967</u>
Accumulated remeasurement losses	(3,169,991)	13,962,028
	<u>302,234,367</u>	<u>295,111,995</u>
Future charitable disbursements (note 10)		
Commitments (note 11)		
	<u>\$ 309,978,270</u>	<u>\$ 297,128,512</u>

See accompanying notes to financial statements.

Approved by the Trustees:

 Trustee
Tom Valentine
Interim Chair, Alberta Cancer Foundation

 Trustee
Max Chan
Chair, Audit & Finance Committee

ALBERTA CANCER FOUNDATION

Statement of Operations and Changes in Fund Balances

March 31, 2025, with comparative information for 2024

	Unrestricted Fund	Externally Restricted Fund	Internally Restricted Fund	Endowment Fund	Capital Asset Fund	2025	2024
Revenues:							
Donations and contributions	\$ 8,327,725	\$ 20,525,132	\$ -	\$ 297,661	\$ -	\$ 29,150,518	\$ 29,367,825
Campaign donations and contributions	-	30,308,614	-	-	-	30,308,614	81,101,369
Sponsorships and registrations	2,500	1,568,108	-	14,000	-	1,584,608	1,633,597
Lottery (note 7)	-	10,236,225	-	-	-	10,236,225	10,474,479
Grants	-	75,000	-	-	-	75,000	-
Investment and other income (note 8)	14,215,493	20,123,315	-	-	-	34,338,808	10,919,026
	22,545,718	82,836,394	-	311,661	-	105,693,773	133,496,296
Expenditures:							
Charitable disbursements (notes 9, 10):							
Core programs	-	7,381,404	-	-	-	7,381,404	7,112,375
Other cancer care and research	301,000	47,502,210	-	-	-	47,803,210	20,237,377
Charitable Expense	124	322,366	-	-	-	322,490	212,707
	301,124	55,205,980	-	-	-	55,507,104	27,562,459
Direct fundraising costs	7,565,289	3,893,409	-	-	877,140	12,335,838	9,255,039
Lottery (note 7)	-	7,201,867	-	-	-	7,201,867	6,871,724
Foundation operations	6,034,793	299,042	-	-	60,738	6,394,573	5,608,745
	13,901,206	66,600,298	-	-	937,878	81,439,382	49,297,967
Excess (deficiency) of revenues over expenditures before transfers	8,644,512	16,236,096	-	311,661	(937,878)	24,254,391	84,198,329
Interfund transfers	(6,506,556)	(6,311,434)	8,812,192	1,989,786	2,016,012	-	-
Excess of revenues over expenditures	2,137,956	9,924,662	8,812,192	2,301,447	1,078,134	24,254,391	84,198,329
Fund balances, beginning of year	1,546,382	146,011,151	45,787,241	87,089,734	715,459	281,149,967	196,951,638
Fund balances, end of year	\$ 3,684,338	\$ 155,935,813	\$ 54,599,433	\$ 89,391,181	\$ 1,793,593	\$ 305,404,358	\$ 281,149,967

See accompanying notes to financial statements.

ALBERTA CANCER FOUNDATION

Statement of Remeasurement Gains and Losses

March 31, 2025, with comparative information for 2024

	2025		2024	
Accumulated remeasurement gains, beginning of year	\$	13,962,028	\$	5,305,044
Unrealized gains attributable to investments		1,011,084		10,019,576
Realized gains reclassified to the statement of operations (note 8)		(18,143,103)		(1,362,592)
Accumulated remeasurement (loss) gains, end of year	\$	(3,169,991)	\$	13,962,028

See accompanying notes to financial statements.

ALBERTA CANCER FOUNDATION

Statement of Cash Flows

March 31, 2025, with comparative information for 2024

	2025	2024
Cash generated from (used by):		
Operating activities:		
Excess of revenues over expenditures	\$ 24,254,391	\$ 84,198,329
Items not involving cash:		
Realized gains on disposal of investments, net	(22,153,358)	(1,200,159)
Donated investments	(15,905,352)	(12,812,238)
Amortization of capital assets	71,733	86,943
Change in non-cash operating working capital accounts:		
Accounts receivable and prepaid expenses	1,014,534	(2,486,857)
Pledges receivable	25,757,466	(27,117,466)
Accounts payable and accrued liabilities	6,161,444	(90,046)
Due to Alberta Health Services	(10,806)	30,879
Deferred revenue and deposits	(423,251)	439,744
Cash generated, operating activities	18,766,801	41,049,129
Investing and financing activities:		
Purchases of portfolio investments	(233,652,498)	(29,639,073)
Disposals of portfolio investments	159,889,291	32,460,898
Purchases of guaranteed investment certificates	(123,000,000)	(134,800,000)
Maturity of guaranteed investment certificates	187,800,000	90,000,000
Purchase of capital assets	(1,149,868)	(240,055)
Purchases of other investments	(33,040)	(540,811)
Cash used, investing and financing activities	(10,146,115)	(42,759,041)
Increase in cash	8,620,686	(1,709,912)
Cash, beginning of year	7,711,323	9,421,235
Cash, end of year	\$ 16,332,009	\$ 7,711,323

See accompanying notes to financial statements.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements

Year ended March 31, 2025

1. Authority and purpose:

The Alberta Cancer Foundation (the "Foundation") operates under the Province of Alberta Regional Health Authorities Act, Section 23(1)(n), the Alberta Cancer Foundation Regulation 70/2009, is subject to the requirements of the Charitable Fundraising Act and is registered with Canada Revenue Agency (CRA) as a charitable foundation.

The Foundation receives donations, raises funds and provides funding for cancer research, the prevention, detection and diagnosis of cancer, and for the treatment and care of cancer patients. The Foundation has a provincial office located in Edmonton and offices at the Cross Cancer Institute in Edmonton, Arthur J.E. Child Comprehensive Cancer Centre and the Foothills Professional Building in Calgary.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

(a) Fund accounting:

The Foundation follows the restricted fund method of accounting for contributions. For financial reporting purposes, the accounts have been classified into the following funds:

- (i) the Unrestricted Fund – consists of contributions and investment income upon which the donors or the Board of Trustees (the "Trustees") have imposed no restrictions. Unrestricted funds are available for immediate purposes, including the Foundation's general fundraising and administrative expenses.
- (ii) the Externally Restricted Fund – consists of funds whose resources are to be used for an identified purpose as specified by the donor or other external parties. The Externally Restricted Fund additionally accounts for external endowment expendable.
- (iii) the Internally Restricted Fund – consists of funds upon which the Trustees have imposed restrictions. These funds represent donations and income that was initially unrestricted which the Board has restricted for identified purposes.
- (iv) the Endowment Fund – consists of funds whereby the donor requires that the principal investment, and any additional capitalized investment income, be maintained by the Foundation on a permanent or term basis, as determined in accordance with the donor agreement. Investment income earned on endowed funds is recorded in the Externally Restricted Fund.
- (v) the Capital Asset Fund – reports the revenues and expenditures related to the Foundation's capital assets.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Significant accounting policies (continued):

(b) Revenue recognition:

- (i) Unrestricted contributions are recognized as revenue in the Unrestricted Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- (ii) Externally restricted contributions, other than endowment contributions, are recognized as revenue in the Externally Restricted Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions can only be used for the purposes designated by external parties.
- (iii) Endowment contributions are recognized in the Endowment Fund as revenue when received or receivable.
- (iv) Investment income earned on amounts restricted for endowments must be spent on restricted purposes and is recognized as revenue in the Externally Restricted Fund. Other investment income is recognized as revenue in the Unrestricted Fund when earned.
- (v) Donations and contributions in kind are recorded at fair value at the date of the contribution when such value can reasonably be determined. Volunteers contribute a significant amount of time each year to assist the Foundation in carrying out its programs and services. Because of the difficulty of determining their fair value, contributed services of volunteers are not recognized in these financial statements.
- (vi) Interfund transfers relate to internally imposed requirements as directed by the Trustees or changes in the designation of funds as directed by the donor.

(c) Pledges receivable and payable:

Pledges receivable are recognized when the amount to be received can be reasonably estimated and when collection is reasonably assured. In cases where pledges span multiple years, ACF's internal policy is to record revenue only for amounts committed in the next fiscal year when collectability is reasonably assured.

Pledges payable are recorded when the Foundation is contractually committed to making the donation.

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the useful lives of the assets as follows and is reported in the Capital Asset Fund:

Leasehold improvements	over the initial lease term
Furniture, Equipment and Donor Recognition	3 and 10 years

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Significant accounting policies (continued):

(d) Capital assets (continued):

Software is an intangible asset recorded within capital assets. Software is amortized straight-line over 5 years. The Foundation has applied the practical expedient under *Accounting Guideline 20 - Customer's accounting for cloud computing arrangements* and has chosen to expense all costs related to the implementation of cloud computing software.

Capital assets under development are not amortized. Capital assets are tested for impairment if there are events or circumstances that would indicate that the carrying amount of an asset may exceed its fair value. An impairment loss is measured as the amount by which the asset's carrying value exceeds its fair value.

(e) Deferred revenue and deposits:

Revenue related to fundraising for events that will take place subsequent to the year-end are deferred. Deferred revenues will be recognized when the fundraising events are held.

(f) Financial instruments:

All financial instruments held by the Foundation are initially recognized on the statement of financial position at their fair value. Subsequent to their initial recognition, all financial instruments are recorded at amortized cost using the effective interest rate method, with the exception of investments carried fair value basis. Investments quoted in an active market are carried at fair value. Investments in entities where there is no active market are recorded under the cost method.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed when incurred. All other financial instruments are adjusted by transaction costs on acquisition.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized amount is adjusted through the statement of remeasurement gains and losses.

Canadian Public Sector Accounting Standards require the Foundation to classify fair value measurements using a hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborative inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Significant accounting policies (continued):

(g) Foreign currency:

Foreign currency transactions are recorded at the exchange rate at the time of the transaction. Monetary items denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at the statement of financial position date and non-monetary items are translated at the rates of exchange in effect when the assets were acquired or the obligations incurred.

(h) Charitable disbursements:

Disbursements are provided annually for the funding of research, infrastructure, special equipment, psychosocial care, palliative care, and patient education and comfort. Disbursements are recognized as expenses when the funds are disbursed by the Foundation.

(i) Measurement uncertainty:

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 revenues and expenses during the year. Estimates made in these financial statements include recognition of pledges receivable, allowances for doubtful accounts and the estimated useful life of capital assets and their corresponding amortization rates and methods. Actual results could differ from those estimates.

(j) Related party transactions:

Transactions with related parties are recorded at exchange amounts being the amount of consideration agreed to by the parties. All unallocated costs, comprising materials and services contributed by related parties in support of the Foundation's operations are not recognized in the financial statements.

(k) Accounting standards adopted:

No new accounting standards were adopted in the current year.

(l) Future accounting standard changes:

Effective April 1, 2026 (with early adoption permitted), PS 1000, Financial Statement Concepts and PS 1100, Financial Statement Objectives, will be replaced by a conceptual framework which includes ten chapters, PS 1202, Financial Statement Presentation. Management is still assessing the impact of this standard change to the Foundation.

3. Pledges receivable:

	2025	2024
Externally Restricted - Campaign	\$ 1,360,000	\$ 27,117,466

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

3. Pledges receivable (continued):

The Foundation has gift agreements from individual or corporate donors who have committed to donate in the future to support the specified programs. The Foundation regularly consults with donors to either receive their pledged gift or reaffirm their intent to fulfill their future commitments.

At year end, the Foundation has the following commitments outstanding from donors which have not been recognized in the financial statements:

	Unrestricted	Externally Restricted	Externally Restricted Campaign	2025 Total
Year ended March 31:				
2025 (past due)	\$ -	\$ 14,500	\$ 745,400	\$ 759,900
2026	55,000	1,521,563	4,498,682	6,075,245
2027	-	244,500	5,468,682	5,713,182
2028	-	219,500	3,187,761	3,407,261
2029	-	72,000	2,010,000	2,082,000
2030	900,000	2,000	3,500,000	4,402,000
2031 and thereafter	-	4,000	6,000,000	6,004,000
	\$ 955,000	\$ 2,078,063	\$ 25,410,525	\$ 28,443,588

Certain of the 2026 pledges receivable have not been recognized as revenue and receivables in this fiscal year as the collectability is not reasonably assured.

4. Investments:

	2025		2024	
	Fair value	Cost	Fair value	Cost
Cash	\$ 75,000,005	\$ 75,000,005	\$ 134	\$ 134
Level 1 Equity Instruments	-	-	306,441	306,441
Level 2 Designated Fair Value Instruments:				
Pooled equity funds - Canadian	96,033,653	97,602,589	27,979,869	27,895,640
Pooled equity funds - US	4,814	5,383	25,772,888	13,483,213
Pooled equity funds - Global	10,144,462	9,390,112	38,754,941	32,639,732
Pooled fixed income funds	57,480,539	59,835,373	48,453,993	52,987,008
Money market funds	8,194,634	8,194,634	10,899,941	10,894,011
Total portfolio investments	\$ 246,858,107	\$ 250,028,096	\$ 152,168,207	\$ 138,206,179

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

4. Investments (continued):

	2025		2024	
	Fair value	Cost	Fair value	Cost
Guaranteed investment certificates				
Maturing April, 2024 bearing interest at 5.37%	\$ -	\$ -	\$ 7,000,000	\$ 7,000,000
Maturing April, 2024 bearing interest at 5.80%	-	-	8,000,000	8,000,000
Maturing July, 2024 bearing interest at 5.75%	-	-	10,000,000	10,000,000
Maturing July, 2024 bearing interest at 5.80%	-	-	7,800,000	7,800,000
Maturing September, 2024 bearing interest at 5.72%	-	-	5,000,000	5,000,000
Maturing September, 2024 bearing interest at 5.56%	-	-	5,000,000	5,000,000
Maturing October, 2024 bearing interest at 5.17%	-	-	15,000,000	15,000,000
Maturing December, 2024 bearing interest at 5.54%	-	-	5,000,000	5,000,000
Maturing January, 2025 bearing interest at 5.07%	-	-	5,000,000	5,000,000
Maturing February, 2025 bearing interest at 5.45%	-	-	6,000,000	6,000,000
Maturing November, 2025 bearing interest at 5.44%	10,000,000	10,000,000	10,000,000	10,000,000
Maturing February, 2026 bearing interest at 4.87%	7,000,000	7,000,000	7,000,000	7,000,000
Maturing February, 2027 bearing interest at 4.75%	6,000,000	6,000,000	6,000,000	6,000,000
Maturing June, 2025 bearing interest at 4.65%	5,000,000	5,000,000	-	-
Prime-linked redeemable	12,000,000	12,000,000	8,000,000	8,000,000
Total guaranteed investment certificates	\$ 40,000,000	\$ 40,000,000	\$ 104,800,000	\$ 104,800,000
Other investments	\$ 575,040	\$ 575,040	\$ 542,000	\$ 542,000
Total investments	\$ 287,433,147	\$ 290,603,136	\$ 257,510,207	\$ 243,548,179
Short-term investments	\$ 34,000,000	\$ -	\$ 81,800,000	\$ -
Long-term investments	\$ 253,433,147	\$ -	\$ 175,710,207	\$ -

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

4. Investments (continued):

The current portion of investments includes guaranteed investment certificates maturing in the next fiscal year. Cash of \$75,000,005 is recorded in the investment account as the funds were with the Foundation's custodian as at March 31, 2025 and were invested in securities subsequent to year end. Included in accounts receivable is \$1,982,347 (2024 - \$3,071,954) in accrued interest related to the guaranteed investment certificates.

The Foundation is subject to various risks related to its investment holdings (see note 14). In order to earn optimal financial returns at an acceptable level of risk, the Foundation has established an asset mix policy of 30% to 60% for fixed income instruments, 0% to 10% for short-term paper and 30% to 85% for equity instruments for its' endowed investments. Risk is reduced through asset class diversification, further diversification within each asset class and quality constraints.

Treasury bills and guaranteed investment certificates, bonds and debentures are managed with the objective of providing optimal returns while maintaining maximum security of capital. Bonds represent high quality fixed income securities. Risk is reduced through the exclusion of investment purchases below investment grade. The bond portfolio holds a maximum of 30% in BBB-rated bonds, a minimum of 40% in government bonds, a maximum of 5% to any single corporate bond issuer and a maximum of 10% in foreign securities.

5. Capital assets:

	2025		
	Cost	Accumulated amortization	Net book value
Leasehold improvements	\$ 23,036	\$ 23,036	\$ -
Furniture, equipment and donor recognition	2,478,844	830,461	1,648,383
Computer software	281,052	135,842	145,210
	<u>\$ 2,782,932</u>	<u>\$ 989,339</u>	<u>\$ 1,793,593</u>
	2024		
	Cost	Accumulated amortization	Net book value
Leasehold improvements	\$ 23,036	\$ 23,036	\$ -
Furniture, equipment and donor recognition	845,092	814,937	30,155
Computer software	764,935	79,631	685,304
	<u>\$ 1,633,063</u>	<u>\$ 917,604</u>	<u>\$ 715,459</u>

During the year, the Foundation expensed \$866,145 related to the implementation of a cloud computing software related to a donor management system.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

6. Fund balances:

Fund balances consist of the following:

Externally Restricted Fund

Externally restricted fund represent contributions received for the following purposes, which had not been spent at year-end:

	2025	2024
Restricted for future charitable disbursements		
Restricted to general cancer care & research	\$ 64,069,225	\$ 45,603,067
Restricted to We Cross Cancer campaign	15,161,381	21,769,859
Restricted to OWN Cancer campaign	34,789,721	50,527,233
Endowment Fund:		
External endowments, expendable portion	41,915,486	28,110,992
Total externally restricted fund	\$ 155,935,813	\$ 146,011,151

Internally Restricted - Alberta Cancer Foundation Fund (ACF Fund)

The Trustees have created the internally restricted the ACF Fund in 2024. The ACF fund is not available for other purposes without approval of the Trustees.

	2025	2024
Opening Balance	\$ 45,787,241	\$ 45,787,241
Realized investment gains on internally restricted investments	8,812,192	-
Total ACF Fund	\$ 54,599,433	\$ 45,787,241

The purpose of the ACF Fund is to ensure that funds are set aside to support the long-term goals of the Foundation and are available to support the purposes identified in the Financial Strategy. The ACF Fund will support key priorities: Financial Sustainability, Core Programs, and High Impact Projects.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

6. Fund balances (continued):

Endowment Fund

	2025	2024
Cancer research	\$ 57,438,944	\$ 55,137,497
Arthur J.E. Child Comprehensive Cancer Centre	30,000,000	30,000,000
Other	1,952,237	1,952,237
Total endowment fund	\$ 89,391,181	\$ 87,089,734

7. Lottery:

During the year, the Foundation held the Cash and Cars Lottery, the You Win 50 Lottery and the Win Daily Lottery. The financial results of the lotteries are as follows:

	2025	2024
Revenues	\$ 10,236,225	\$ 10,474,479
Expenditures:		
Prizes	4,209,668	4,112,049
Marketing and other	2,992,199	2,759,675
	7,201,867	6,871,724
Excess of revenues over expenditures	\$ 3,034,358	\$ 3,602,755

8. Investment and other income:

	2025	2024
Operations:		
Interest and dividends	\$ 12,186,741	\$ 9,707,012
Realized gains, reclassified to the statement of operations	18,143,103	1,362,592
Realized gain (loss) during the year	4,007,485	(162,433)
Other income	1,479	11,855
	\$ 34,338,808	\$ 10,919,026

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

9. Related party transactions:

As the Foundation operates under the authority of the Province of Alberta Regional Health Authorities Act, Section 23(1)(n) and the Alberta Cancer Foundation Regulation 70/2009, it is included within the Province of Alberta's government reporting entity.

The following related party transactions have been recorded in the financial statements. These transactions occurred normal course of business and have been recorded at their exchange amount.

Charitable disbursements, net of amounts returned during the year:

	2025	2024
AHS (Cancer Care Alberta)	\$ 24,203,368	\$ 13,953,433
University of Calgary	10,036,913	7,559,609
University of Alberta	4,837,642	4,053,818
	\$ 39,077,923	\$ 25,566,860

These amounts were disbursed as directed by the Foundation in accordance with donor designation or, where the disbursements were made from unrestricted funds, as directed by the Trustees.

Expenditures includes \$8,146,471 (2024 - \$8,493,415) that were processed by related parties on behalf of the Foundation.

Certain materials and services are contributed by Alberta Health Services (AHS) in support of the Foundation's operations. These materials and services are provided without charge, and include:

Human Resources (HR) Support Services:

- Payroll management and processing
- General HR support and consultation
- Health benefit & pension management

Information Technology (IT) Support Services:

- Access to IT applications and licenses
- Network support and connectivity
- File storage
- Supply of technological assets, including computers, printers, and phones
- Cyber security support and measures
- General IT support and consultation

Other:

- Insurance coverage
- Access to intranet and learning resources
- Accounts payable processing for invoices denominated in a foreign currency.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

9. Related party transactions (continued):

These materials and services are not recorded in these financial statements as the value of the services is not readily determinable. The value of these materials and services does not vary substantially from year to year.

As at March 31, 2025 the Foundation has amounts due to AHS of \$676,788 (2024 - \$687,594).

Related parties also include key management personnel (KMP) of the Foundation. KMP includes individuals who are part of the governing body with authority over planning, directing and controlling the activities of the Foundation. In addition, KMP include employees with day-to-day responsibility over activities and operations. KMP of the Foundation include members of the Trustees and the senior management team. Related party transactions with KMP consist of compensation related payments to employees. These are considered to be routine employment transactions.

10. Future charitable disbursements:

As at March 31, 2025, the Foundation has forecasted the following future charitable disbursements, due within the next 5 years:

2026	2027	2028	2029	2030	Total
\$ 28,308,354	\$ 9,914,288	\$ 6,102,176	\$ 3,829,638	\$ 10,250,000	\$ 58,404,456

The Foundation has additionally forecasted \$23,720,560 (2024 - \$44,045,906) of future charitable disbursements beginning in Fiscal 2026 for which the disbursement schedule is unknown.

11. Commitments:

The Foundation has entered into operating leases for the rental of its office spaces. Future minimum lease payments under the operating leases are as follows:

2026	\$	221,915
2027		176,573
	\$	398,488

The Foundation is also responsible for its portion of operating costs related to office space.

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

12 Additional information to comply with the disclosure requirement of the Charitable Fund Raising Act and Regulation:

In 2025, \$3,617,779 (2024 - \$2,862,036) was paid as remuneration to employees whose principal duties involve fundraising. \$2,211,083 (2024 - \$1,663,012) was paid to fundraising businesses.

13. Contingencies and commitments

In the normal course of operations, the Foundation is party to various claims and legal proceedings. When the resolution of the claims and legal proceedings cannot be determined with certainty, they are not recorded in the financial position or results of operations of the Foundation. The financial impact is recognized in the year in which the action is resolved or can be reasonably determined. Management does not believe the pending matters will have a material impact on the Foundation and, where appropriate, provisions for possible losses have been made in these consolidated financial statements.

14. Financial risk management:

The Foundation is exposed to market risks associated with its financial instruments. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk

Market risk comprises three types of risk: price risk, interest rate risk and currency risk. To manage these risks, the Foundation has established a target mix of investment types designated to achieve the optimum return with reasonable risk tolerance (see note 4).

Price risk

The Foundation is exposed to price risk as the fair value of equity instruments held may be subject to change due to fluctuations in market prices. If the Foundation's equity investments declined by 1%, the accumulated remeasurement gains would decrease by \$1,061,829 (2024 - \$928,141).

Interest rate risk

The Foundation is exposed to interest rate risk with respect to its fixed income investments. These investments may be impacted by market changes in interest rates. A 1% change in interest rates would have the following impact on market values:

	2025	2024
Increase in interest rate	\$ (3,787,967)	\$ (3,231,881)
Decrease in interest rate	4,276,552	3,721,267

ALBERTA CANCER FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

14. Financial risk management (continued):

Market risk (continued)

Currency risk

Currency risk to the Foundation is that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The foreign denominated cash on hand is minimal. The Foundation is indirectly exposed to currency risk in its holding of its US and Global pooled equity funds. The Foundation does not use derivatives to manage this risk.

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation assesses, on a continuous basis, its accounts receivable and pledges receivable and provides for any amounts that are not collectible in an allowance for doubtful accounts. The maximum exposure to credit risk of the Foundation is the carrying value of these assets. No allowance for doubtful accounts (2024 - \$nil) has been recorded as management believes these balances will be collected in full.

Liquidity risk

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost under both normal and stressed conditions. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

ALBERTA CANCER FOUNDATION

Schedule 1: Additional Fund Activities

Year ended March 31, 2025

Fund activities are comprised of the following:

	General	Cancer Care and Research	Endowment	2025 Total	2024 Total
Revenues:					
Donations and contributions	\$ 8,328,944	\$ 8,688,866	\$ 12,132,708	\$ 29,150,518	\$ 29,367,825
Campaign donations and contributions	-	30,308,614	-	30,308,614	81,101,369
Sponsorships and registrations	2,500	1,568,108	14,000	1,584,608	1,633,597
Lottery	-	10,236,225	-	10,236,225	10,474,479
Grants	-	75,000	-	75,000	-
Investment and other income:					
Operations	14,213,321	205,586	19,919,901	34,338,808	10,919,026
Realized gains on investments restructuring	-	-	-	-	-
	22,544,765	51,082,399	32,066,609	105,693,773	133,496,296
Expenditures:					
Charitable disbursements:					
Core programs	-	7,381,404	-	7,381,404	7,325,082
Other cancer care and research	-	44,610,548	3,192,662	47,803,210	20,237,377
Charitable Expense	-	322,490	-	322,490	-
	-	52,314,442	3,192,662	55,507,104	27,562,459
Direct fundraising costs	5,691,494	6,644,344	-	12,335,838	9,255,039
Lottery	-	7,201,867	-	7,201,867	6,871,724
Foundation operations	6,120,854	-	273,719	6,394,573	5,608,745
	11,812,348	66,160,652	3,466,382	81,439,382	49,297,967
Excess of revenues over expenditures	\$ 10,732,417	\$ (15,078,253)	\$ 28,600,227	\$ 24,254,391	\$ 84,198,329

ALBERTA CANCER FOUNDATION

Schedule 1: Additional Fund Activities (continued)

Year ended March 31, 2025

Fund definitions:

(i) General Fund

Includes resources available for immediate purposes and accounts for the Foundation's general fundraising and administrative activities and the Foundation's capital assets.

(ii) Cancer Care and Research Fund

The purpose of these funds are for cancer research, prevention and screening initiatives, as well as patient care and support, education and equipment. This fund includes externally restricted resources to be used for an identified purpose as specified by the donor or by fundraising initiatives or internally restricted resources to be used for an identified purpose as determined by the Board of Trustees.

(iii) Endowment Fund

Includes those funds where either the donor or the Board of Trustees have stipulated that the principal investment be maintained by the Foundation on a permanent or term basis and investment income subject to restrictions stipulating that it be either added to the principal amount of the endowment or to be expended for an identified purpose as specified by the donor