

The Parks Foundation, Calgary
(As agent for the City of Calgary)

Financial Statements
For the year ended December 31, 2023





Tel: 403 266 5608
Fax: 403 233 7833
www.bdo.ca

BDO Canada LLP
903 - 8th Avenue SW, Suite 620
Calgary AB T2P 0P7
Canada

Independent Auditor's Report

To the Members of The Parks Foundation, Calgary:
(as agent for the City of Calgary)

Opinion

We have audited the financial statements of The Parks Foundation, Calgary (as agent for the City of Calgary) ("Foundation"), which comprise the statement of financial position as at December 31, 2023, and the statement of income, expenses and change in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation 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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 these 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 Foundation'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 Foundation'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 Foundation 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.

We 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.

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta
March 22, 2024

The Parks Foundation, Calgary

Statement of Financial Position

As at December 31,

	Managed Funds		Operating Fund		Total	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Assets						
Current assets						
Cash and cash equivalents (Note 4)	12,221,948	6,911,604	1,434,063	1,218,313	13,656,011	8,129,917
Accounts receivable	141,371	53,714	200,910	267,275	342,281	320,989
Prepaid expenses	-	-	29,172	25,807	29,172	25,807
Due to (from) funds (Note 5)	(168,304)	(52,846)	168,304	52,846	-	-
	<u>12,195,015</u>	<u>6,912,472</u>	<u>1,832,449</u>	<u>1,564,241</u>	<u>14,027,464</u>	<u>8,476,713</u>
Investments (Note 4)	25,249,286	23,123,462	-	861,886	25,249,286	23,985,348
Capital assets (Note 6)	-	-	88,790	110,683	88,790	110,683
	<u>37,444,301</u>	<u>30,035,934</u>	<u>1,921,239</u>	<u>2,536,810</u>	<u>39,365,540</u>	<u>32,572,744</u>
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	-	-	63,573	44,719	63,573	44,719
Unearned revenue (Note 7)	3,520,000	-	-	-	3,520,000	-
	<u>3,520,000</u>	<u>-</u>	<u>63,573</u>	<u>44,719</u>	<u>3,583,573</u>	<u>44,719</u>
Fund balances (Note 9)						
Unrestricted	-	-	1,054,729	1,402,206	1,054,729	1,402,206
Internally restricted	10,560,499	8,807,842	714,147	979,202	11,274,646	9,787,044
Internally restricted - invested in capital assets	-	-	88,790	110,683	88,790	110,683
Externally restricted	23,363,802	21,228,092	-	-	23,363,802	21,228,092
	<u>33,924,301</u>	<u>30,035,934</u>	<u>1,857,666</u>	<u>2,492,091</u>	<u>35,781,967</u>	<u>32,528,025</u>
	<u>37,444,301</u>	<u>30,035,934</u>	<u>1,921,239</u>	<u>2,536,810</u>	<u>39,365,540</u>	<u>32,572,744</u>

Nature of organization (Note 1)
 Composition of managed funds (Note 3)
 Commitments (Note 14)

Signed on behalf of the Board of Governors

Hilary Zaharko
 Hilary Zaharko, Chair

Reilly Penner
 Reilly Penner, Treasurer

The Parks Foundation, Calgary

Statement of Income, Expenses and Changes in Fund Balances For the year ending December 31,

	Managed Funds		Operating Fund		Total Fund	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Income						
Contributions (Note 11)	9,426,567	11,279,288	477,744	235,219	9,904,311	11,514,507
Investment income - realized	1,370,299	1,276,003	555,190	234,281	1,925,489	1,510,284
Investment income (loss)- unrealized	785,385	(3,948,487)	95,203	(351,659)	880,588	(4,300,146)
Other income	435,973	5,545	381,444	434,632	817,417	440,177
	<u>12,018,224</u>	<u>8,612,349</u>	<u>1,509,581</u>	<u>552,473</u>	<u>13,527,805</u>	<u>9,164,822</u>
Expenses						
Project costs	8,120,949	11,247,608	-	-	8,120,949	11,247,608
External grants	499,182	252,711	-	-	499,182	252,711
Administration	9,152	4,720	1,607,998	1,354,961	1,617,150	1,359,681
Amortization	-	-	36,584	30,943	36,584	30,943
	<u>8,629,283</u>	<u>11,505,039</u>	<u>1,644,582</u>	<u>1,385,904</u>	<u>10,273,865</u>	<u>12,890,943</u>
Excess (deficiency) of income over expenses	<u>3,388,941</u>	<u>(2,892,690)</u>	<u>(135,001)</u>	<u>(833,431)</u>	<u>3,253,940</u>	<u>(3,726,121)</u>
Fund transfers and allocations (Note 15)						
Administration	(489,845)	(563,885)	489,845	563,885	-	-
Management	(368,567)	(319,180)	368,567	319,180	-	-
Transfers	1,357,836	-	(1,357,836)	-	-	-
	<u>499,424</u>	<u>(883,065)</u>	<u>(499,424)</u>	<u>883,065</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of income after transfers	<u>3,888,365</u>	<u>(3,775,755)</u>	<u>(634,425)</u>	<u>49,634</u>	<u>3,253,940</u>	<u>(3,726,121)</u>
Fund balance, beginning of year	<u>30,035,936</u>	<u>33,811,689</u>	<u>2,492,091</u>	<u>2,442,457</u>	<u>32,528,027</u>	<u>36,254,146</u>
Fund balance, end of year (Note 9)	<u>33,924,301</u>	<u>30,035,934</u>	<u>1,857,666</u>	<u>2,492,091</u>	<u>35,781,967</u>	<u>32,528,025</u>

The Parks Foundation, Calgary

Statement of Cash Flows

For the year ending December 31,

	2023	2022
	\$	\$
Operating activities		
Excess (deficiency) of income over expenses after transfers		
Project Fund	1,977,373	(67,545)
Capital Sustainment Fund	356,860	(802,621)
Endowment Fund	1,554,132	(2,905,589)
Managed Funds	3,888,365	(3,775,755)
Operating Fund	(634,425)	49,634
	<u>3,253,940</u>	<u>(3,726,121)</u>
Items not affecting cash		
Amortization	36,584	30,943
Investment loss - unrealized	(880,588)	4,300,146
Net change in non-cash working capital items affecting operations		
(Increase) decrease in accounts receivable	(21,290)	84,258
Increase in prepaid expenses	(3,365)	(9,505)
Increase in unearned revenue	3,520,000	-
Decrease (increase) in accounts payable	18,854	(2,556)
Net cash from operating activities	<u>5,924,135</u>	<u>677,165</u>
Investing activities		
Purchase of investments	(383,350)	(583,949)
Purchase of capital assets	(14,691)	(55,356)
Net cash used in investing activities	<u>(398,041)</u>	<u>(639,305)</u>
Increase in cash and cash equivalents	5,526,094	37,860
Cash and cash equivalents, beginning of year	8,129,917	8,092,057
Cash and cash equivalents, end of year	<u>13,656,011</u>	<u>8,129,917</u>

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

1 Nature of Organization

The Parks Foundation, Calgary (the "Foundation") was incorporated as a company on February 12, 1985, under the Companies Act of Alberta. In 1995, the Articles of Association were updated to extend the responsibility of the Foundation to include the Amateur Sport Fund and the Calgary River Valleys Committee. As of December 31, 2009, the contract with the River Valleys Committee expired. On June 27, 2018, the Articles of Association were updated and ratified by the membership. The objectives of the Foundation are:

- to promote and encourage the co-operative effort of government, private and community sector involvement toward the enhancement of the quality of parks, recreation, and open space in the City of Calgary; and
- to solicit funds, assets, property rights and to administer receipts of the same for the benefit of the City of Calgary as agent for and on behalf of the City of Calgary.

All financial transactions and balances disclosed in these financial statements have been entered into and are being held by the Foundation as agent for the City of Calgary ("The City"). The Foundation operates under a Memorandum of Agreement with The City, expiring December 31, 2028, with two renewal options of 5 years. The Foundation leases the land and building from which it operates from The City at an annual lease in the amount of \$1,521.96 which expires on July 31, 2027, with an option to renew for another term of five years in length, subject to an increase pegged on the Consumer Price Index. During 2022, The City contributed \$193,000 in funding to the Foundation. As of November 25, 2022, the City Council for The City adopted its final budget and has allocated the following Base Operating Funding over the four-year period:

1. Year one - \$201,000
2. Year two - \$208,000
3. Year three - \$216,000
4. Year four - \$223,000.

The City has allocated a "One-Time Operating Funding" of \$375,000 annually for the years 2023-2026 as noted in the "One-Time Funding Agreement" between The City and the Foundation dated January 1, 2023.

The Foundation is a not-for-profit organization as defined under paragraph 149(1) (l) of the Income Tax Act, and therefore, is not subject to income tax. The Foundation is classified as a municipal corporation and as such is entitled to a 100% GST rebate.

Basis of accounting

The financial statements of the Foundation have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO").

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The more significant estimates in these financial statements relate to management's estimates of the collectability of accounts receivables, pledge receivables and the estimated useful lives of capital assets. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

The Operating Fund reports the assets, liabilities, income, and expenses related to the Foundation's administrative activities.

The Managed Funds presented on the Statement of Financial Position and Statement of Income, Expenses and Changes in Fund Balances represent the consolidated totals of the Project Fund, the Capital Sustainment Fund and the Endowment Fund as presented in Note 3.

The Project Fund reports the assets, liabilities, income, and expenses related to the Foundation's projects and the maintenance of certain endowment projects. Contributions to this Fund are externally restricted apart from certain accounts funded internally by the Foundation and investment income which is reported in the Project Fund as there are internal restrictions stating that this income must be used for Foundation projects.

The Capital Sustainment Fund reports the assets, liabilities, income, and expenses related to specific Foundation projects. Inter-fund transfers to this Fund are internally restricted. Investment income is reported in the Project Fund as there are internal restrictions requiring that this income must be used for the Foundation's projects.

The Endowment Fund reports resources contributed for endowments. Both original contributions and unrealized investment income may be both internally or externally restricted. All unrealized investment income is reported in the Endowment Fund. When this income is realized, the unrealized income accrual is reversed and the realized investment income earned on resources of the Endowment Fund is reported in the Project Fund, Operating Fund, or the Endowment Fund dependent on whether it is unrestricted, internally, or externally restricted.

Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. Cash consists of cash on hand, in the bank, and certain investments in a money market fund or a bond pooled fund.

Financial instruments

A financial asset or a financial liability is recognized when the Foundation becomes a party to the contractual provisions of the financial instrument. All financial instruments are initially measured at fair value and subsequently at cost or amortized cost, except for equities which are required to be measured at fair value, or financial instruments which are designated at fair value. The Foundation has designated all bonds, guaranteed investment certificates and other financial assets within the investment portfolio, into the fair value category. Unrealized gains and losses on financial instruments are measured at fair value and reported in the Statement of Income, Expenses and Changes in Fund Balances.

Financial assets are tested for impairment when changes in circumstances indicate that the asset could be impaired. Transaction costs on the acquisition and sale of financial instruments are expensed for those items re-measured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

Investments

Investments are comprised of all funds invested with a portfolio manager, irrespective of whether the funds are invested in cash and cash equivalents, short-term or long-term investments, or equities, as these investments are held for the purpose of long-term capital growth. Portions of the unrealized investment income on the Endowment Fund portfolios are externally restricted. Realized investment income on the Endowment Fund and Capital Sustainment Fund is internally restricted by Board approval with consideration to the terms of the agreements. Realized investment income from these two portfolios is recorded in the Project Fund and is classified as investment until it is transferred to specific project accounts for the purpose of meeting short-term cash commitments and for recovering some costs of those project's operations incurred by the Foundation. Investment income of the other portfolios is held within their investment components. A specific condition, applying to the Saddledome Amateur Sport Fund, a project fund, requires that the equity portion up to \$500,000 be restricted and not be made available for expenditure.

Capital assets

The Foundation records all donated assets at fair market value at the date of the donation. All other acquisitions are recorded at cost. These assets are amortized over their useful lives using the declining balance method of amortization taking one-half year amortization in the year of acquisition. Amortization rates are 30% for office equipment, 20% for furniture and fixtures, and 50% on computers. Leasehold improvements are amortized over the life of the building lease and the extension available to the Foundation. The Foundation has certain artwork in its possession which is treated as a nondepreciable asset. Amortization expense is recorded in the Operating Fund.

Capital assets are tested for impairment where impairment indicators are present. This would occur if a capital asset no longer contributed to the Foundation's ability to provide services. Any excess of the capital asset's carrying value with no long-term service potential over its residual value is recognized as an expense of the period.

Revenue recognition

Contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions related to operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the Operating Fund. Contributions for endowment are recognized as revenue of the Endowment Fund, upon receipt of contributions. Investment income, net of portfolio manager fees, and other income is recognized as revenue when earned on the accrual basis. Investment income reflects gains and losses on sale of investments. Unrealized income or loss reflects re-measurement of investments to fair value.

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

Contributed materials and services

The Foundation receives various contributions in the forms of materials and services to carry out its objectives. Because of the difficulty in determining their fair value, contributed materials and services are not recognized in the financial statements.

Project administration

The Foundation charges an administration allocation of 2% to all projects, 1.0% - 1.5% to all endowment funds managed by the Foundation and 5% of funds raised which are available for distribution to communities in certain granting programs. The Foundation grants the 2% administration allocation to community projects that qualify under the Project Support Program. Management has the discretion to charge administration costs allocation to recover costs from projects which do not qualify under the Project Support Program and under special circumstances.

In addition, the Foundation receives management costs allocation to assist certain projects during the fundraising or development stages, or to administer grants on behalf of other non-for-profit organizations, or to manage project construction.

Administration costs allocations are collected monthly based on either the contributions received or the bank balances. Management costs allocations for projects initiated by the Foundation are collected based on percentage of completion, determined based on project and associated costs incurred, without jeopardizing the completion of the project. Where it is difficult to place a value on the costs incurred, revenue shall be recognized on a straight-line basis over the term of the project.

Administration and management costs allocations are reflected as fund transfers and allocations from the Project Fund or Endowment Fund to the Operating Fund.

Unless designated as a maintenance fund, any residual fund remaining two years after the completion of any projects will revert to the Foundation. Residual funds can upon written request be converted into an endowment fund dedicated for maintenance of the project.

Allocated remuneration costs

In the course of its operations, the management of the Foundation allocates remuneration costs to its different funds, based on management's best estimate of the time spent by each employee in each area.

Pledges receivable

Pledges receivable are recorded in the financial statements when the following criteria are met:

- Signed letter from the donor stating pledged amount with no outstanding conditions;
- The project is confirmed to proceed on a given date or has already commenced construction;
- Their fair value can be reasonably estimated; and
- Collection is reasonably assured.

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

2 Financial Instruments

The Foundation holds various forms of financial instruments. The nature of these instruments and the Foundation's operations exposes the Foundation to various risks. Except as disclosed elsewhere, the Foundation's financial instruments have the following risks:

(i) Interest rate risk

Interest rate risk is the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The fixed income investments are also subject to cash flow risk, arising from the reinvestment of cash flow at varying interest rates.

The Foundation is exposed to interest rate risk arising from fluctuations in interest rates on its investments. The Foundation mitigates these risks through investment guidelines approved by the Foundation's Board.

On December 31, 2023, the Foundation had \$12,545,271 (2022 - \$11,578,938) of investments exposed to interest rate risk.

(ii) Equity price risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. To mitigate equity price risk, the Foundation has investment policy guidelines in place that provide for prudent investment in equity markets within clearly defined limits.

The Foundation has an upper limit on equities of 50% (0% for the Short-Term Projects account). The portfolio manager has an internal constraint of no more than 20% of its net assets in a particular industry (ie. Sub-sector) as classified by the Global Industry Classification Standards ("GICS") to reduce concentration risk. The portfolio manager limits the magnitude of any one asset mix shift to 5% per quarter to reduce timing risk. The portfolio manager also limits the investment in any one corporation to no more than 10% of the equity component.

The Fund's equity holdings are in all eleven Global Industry Classification Standard sectors and are most heavily weighted to industrials (21.29% of the equity weight), financials (24.48%) information technology (12.34%) and healthcare (10.90%). The combined exposure to all three sectors is 69.43%.

On December 31, 2023, the Foundation had \$8,959,231 (2022 - \$8,531,170) of investments exposed to equity price risk.

(iii) Credit risk

Substantially all the Foundation's cash and cash equivalents and investments are held within a chartered financial banking institution and their custodian. As such, the Foundation is exposed to the credit risks of these entities.

The Foundation's accounts receivable consists of GST receivable from the Canadian government. Accordingly, the Foundation and the Canadian government views credit risk on GST receivable as minimal.

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. The carrying amount of the debt securities held within the investments represents the maximum credit risk exposure as at December 31, 2023.

Credit risk arising on debt instruments is mitigated by investing primarily in rated instruments or instruments issued by rated counterparties. The investment managers of the Foundation are required by contract to achieve and report on a series of compliance measures which are designed to mitigate the risk associated with these investments. The credit quality of the Canadian Bond Pooled Fund as at December 31, 2023, were in compliance (2022 – in compliance).

(iv) Currency risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which is the Foundation's functional currency. The Foundation is exposed to the risk that the value of securities denominated in other currencies will fluctuate due to changes in exchange rates. The exposure to currency risk is primarily through investment in mutual funds with foreign equity holdings. Equities trading in foreign markets are also exposed to currency risk as the price in local terms on the foreign stock exchange is converted to Canadian dollars to determine fair value. The Foundation holds its cash and cash equivalents in Canadian dollars.

As of December 31, 2023, the Foundation had \$6,180,028 (2022 - \$5,828,181) of investments exposed to currency risk.

(v) Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting its obligations associated with financial liabilities. This includes the risk that, as a result of operational liquidity requirements, the Foundation will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable. The Foundation has reserved funds from prior year surpluses to mitigate the liquidity risk and monitors their cash flows on a regular basis.

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

3 Composition of Managed Funds

PARKS FOUNDATION CALGARY
Statement of Financial Position in Managed Funds
For the year ended December 31,

	Project Fund		Capital Sustainment Fund		Endowment Fund		Managed Funds	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Current assets								
Cash and cash equivalents (Note 4)	12,221,948	6,911,604	-	-	-	-	12,221,948	6,911,604
Accounts receivable	141,043	53,426	-	-	328	288	141,371	53,714
Due to (from) funds (Note 5)	(543,973)	(432,075)	415,245	415,245	(39,576)	(36,016)	(168,304)	(52,846)
	<u>11,819,018</u>	<u>6,532,955</u>	<u>415,245</u>	<u>415,245</u>	<u>(39,248)</u>	<u>(35,728)</u>	<u>12,195,015</u>	<u>6,912,472</u>
Investments	7,544,902	7,333,590	3,846,457	3,489,597	13,857,927	12,300,275	25,249,286	23,123,462
Capital assets (Note 6)	-	-	-	-	-	-	-	-
	<u>19,363,920</u>	<u>13,866,545</u>	<u>4,261,702</u>	<u>3,904,842</u>	<u>13,818,679</u>	<u>12,264,547</u>	<u>37,444,301</u>	<u>30,035,934</u>
Liabilities								
Unearned revenue	3,520,000	-	-	-	-	-	3,520,000	-
Fund balances (Note 9)								
Internally restricted	3,363,781	3,040,913	4,261,702	3,904,842	2,935,016	1,862,087	10,560,499	8,807,842
Externally restricted	12,480,139	10,825,632	-	-	10,883,663	10,402,460	23,363,802	21,228,092
	<u>15,843,920</u>	<u>13,866,545</u>	<u>4,261,702</u>	<u>3,904,842</u>	<u>13,818,679</u>	<u>12,264,547</u>	<u>33,924,301</u>	<u>30,035,934</u>
	<u>19,363,920</u>	<u>13,866,545</u>	<u>4,261,702</u>	<u>3,904,842</u>	<u>13,818,679</u>	<u>12,264,547</u>	<u>37,444,301</u>	<u>30,035,934</u>

PARKS FOUNDATION CALGARY
Statements of Income, Expenses and Changes in Managed Fund Balances
For the year ended December 31,

	Project Fund		Capital Sustainment Fund		Endowment Fund		Managed Funds	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Income								
Contributions (Note 11)	9,426,567	11,279,288	-	-	-	-	9,426,567	11,279,288
Investment income - realized	1,163,879	1,058,601	(823)	5,401	207,243	212,001	1,370,299	1,276,003
Investment income (loss) - unrealized	48,573	(273,891)	197,403	(933,022)	539,409	(2,741,574)	785,385	(3,948,487)
Other income	435,973	5,545	-	-	-	-	435,973	5,545
	<u>11,074,992</u>	<u>12,069,543</u>	<u>196,580</u>	<u>(927,621)</u>	<u>746,652</u>	<u>(2,529,573)</u>	<u>12,018,224</u>	<u>8,612,349</u>
Expenses								
Project costs	8,120,949	10,972,608	-	25,000	-	250,000	8,120,949	11,247,608
External grants	499,182	252,711	-	-	-	-	499,182	252,711
Administration	9,152	4,720	-	-	-	-	9,152	4,720
Amortization	-	-	-	-	-	-	-	-
	<u>8,629,283</u>	<u>11,230,039</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>250,000</u>	<u>8,629,283</u>	<u>11,505,039</u>
Excess (deficiency) of income over expenses	2,445,709	839,504	196,580	(952,621)	746,652	(2,779,573)	3,388,941	(2,892,690)
Fund transfers and allocations (Note 15)								
Administration	(360,269)	(437,869)	-	-	(129,576)	(126,016)	(489,845)	(563,885)
Management	(368,567)	(319,180)	-	-	-	-	(368,567)	(319,180)
Transfers	260,500	(150,000)	160,280	150,000	937,056	-	1,357,836	-
	<u>(468,336)</u>	<u>(907,049)</u>	<u>160,280</u>	<u>150,000</u>	<u>807,480</u>	<u>(126,016)</u>	<u>499,424</u>	<u>(883,065)</u>
Excess (deficiency) of income after transfers	1,977,373	(67,545)	356,860	(802,621)	1,554,132	(2,905,589)	3,888,365	(3,775,755)
Fund balance, beginning of year	13,866,547	13,934,090	3,904,842	4,707,463	12,264,547	15,170,136	30,035,936	33,811,689
Fund balance, end of year (Note 9)	<u>15,843,920</u>	<u>13,866,545</u>	<u>4,261,702</u>	<u>3,904,842</u>	<u>13,818,679</u>	<u>12,264,547</u>	<u>33,924,301</u>	<u>30,035,934</u>

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

4 Cash and Cash Equivalents and Investments

As at December 31, the Foundation held the following cash and investments:

	Managed Funds		Operating Fund		Total	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	12,221,948	6,911,604	1,434,063	1,218,313	13,656,011	8,129,917
Money market fund and T-bill securities	2,231,587	2,196,698	-	48,680	2,231,587	2,245,378
Bond fund and fixed income securities	7,676,762	6,977,154	-	227,944	7,676,762	7,205,098
Balanced pooled fund	15,340,935	13,949,610	-	585,262	15,340,935	14,534,872
Total Investments	25,249,284	23,123,462	-	861,886	25,249,284	23,985,348
Total market value	37,471,232	30,035,066	1,434,063	2,080,199	38,905,295	32,115,265
Cost	37,631,459	30,980,678	1,604,159	2,345,500	39,235,618	33,326,178

The funds listed in the above summary as Managed Funds are comprised of the follow individual funds:

	Project Fund		Capital Sustainment Fund		Endowment Fund		Managed Funds	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	12,221,948	6,911,604	-	-	-	-	12,221,948	6,911,604
Money market fund and T-bill securities	2,020,727	2,002,834	-	-	210,860	193,864	2,231,587	2,196,698
Bond fund and fixed income securities	4,684,314	4,574,208	63,765	64,270	2,928,683	2,338,676	7,676,762	6,977,154
Balanced pooled fund	839,861	756,548	3,782,692	3,425,327	10,718,382	9,767,735	15,340,935	13,949,610
Total Investments	7,544,902	7,333,590	3,846,457	3,489,597	13,857,925	12,300,275	25,249,284	23,123,462
Total market value	19,766,850	14,245,194	3,846,457	3,489,597	13,857,925	12,300,275	37,471,232	30,035,066
Cost	19,731,937	14,258,855	3,957,795	3,798,338	13,941,727	12,923,485	37,631,459	30,980,678

Investment income realized consists of interest, dividends, and capital gains/(losses). Income on investments is reported net of investment management, banking, and custodial fees of \$78,312 for 2023 (2022 - \$81,625).

5 Due to (from) Funds

As at December 31, 2023, the Foundation has a balance of \$134,186 (2022 - \$22,288) due to the Operations Fund from the Project Fund for management fees which were accrued for management of various Foundation capital projects and programs.

As at December 31, 2023, the Foundation has a balance of \$39,576 (2022 - \$36,016) due to the Operations Fund from the Endowment Fund for the outstanding portion of investment earnings from the Operating Endowment Fund as calculated using a defined method per the Memorandum of Agreement between the City of Calgary and the Foundation.

As at December 31, 2023, the Foundation has a balance of \$5,458 (2022 - \$5,458) due to the Capital Sustainment Fund from the Project Fund. The value represents surpluses in the Dedication Program accrued and still outstanding.

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

As at December 31, 2023, the Foundation has a balance of \$409,787 (2022 - \$409,787) due to the Capital Sustainment Fund from the Project Fund. The value represents a 10% portion of all funds donated to the Rotary/Mattamy Greenway and is allocated to the Capital Sustainment Fund.

6 Capital Assets

Capital assets are comprised of the following:

	As at December 31			
	2023	2023	2023	2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Office equipment	19,352	17,606	1,746	2,495
Furniture and fixtures	33,097	20,260	12,837	953
Leasehold improvements	358,481	309,212	49,269	58,958
Computers	99,000	77,112	21,888	43,776
Artwork	3,050	-	3,050	4,501
	<u>512,980</u>	<u>424,190</u>	<u>88,790</u>	<u>110,683</u>

7 Unearned Revenue

The unearned revenue, originates from a payment of \$4,000,000 for the planning, design, development, and construction of at least six public garden spaces in conjunction with the Green Line portion of the City of Calgary's light rapid transit system to be developed in the area from 16th Avenue N. to 126th Avenue SE. The projects will be developed and completed over the course of the construction of the Green Line which is expected to be completed over 4-6 Years. The entire balance of the unearned revenue has been classified as current because management cannot reasonably estimate the portion of the outstanding unearned revenue that will be used during the 2024 fiscal period or deferred to future years. The balance of unearned revenue represents the original payment net of grants to the specific public garden project and fees transfer to the Operations Fund for management of the projects.

Opening Balance	4,000,000
Transfers to Greenline Projects	(400,000)
Administration Fees	<u>(80,000)</u>
	<u>3,520,000</u>

8 Credit Facility

This line of credit bears interest at prime plus 0.5% and is secured by an encumbrance upon the PartnerParks Endowment Fund administered by the portfolio manager up to a maximum of \$1,000,000 and is payable on demand. As at December 31, 2023, \$nil was drawn from the credit facility (2022 - \$nil).

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

9 Fund Balances

a) Project Fund

The Project Fund comprises the fund balances of the following projects under administration:

	As at December 31,	
	2023	2022
	\$	\$
Rotary/Mattamy Greenway	249,712	474,872
Flyover Park	231,535	16,791
Brawn Family Foundation Rotary Park	225,595	627,733
George Moss Park Revitalization	337,351	-
Forest Lawn KOLS Project	435,612	50,000
Sandy Beach Expansion	152,074	(2,912)
Haultain School	236,084	41,659
Dedication Program	268,529	126,862
Various other Foundation projects	828,889	513,968
Saddledome Fund (Amateur Sport Granting Program)	1,745,588	1,528,183
MNP Access Advantage Fund - Distribution Account	947,169	1,026,825
John Currie Endowment Fund	720,447	693,544
Stella Estate Fund	254,487	254,487
Sunalta Commons	3,009,969	1,657,837
Grant MacEwan School Playground	300,000	258,885
Briar Hill School Playground	210,906	181,449
Flames Fund	316,265	338,500
Various other community projects	2,009,923	3,036,949
Externally restricted Projects	12,480,135	10,825,632
PartnerParks Administration Fee Granting Fund	36,932	130,736
Building Playgrounds and Communities	529,917	291,337
Stella Conceptual Drawing Fund	15,179	2,255
Project maintenance	2,781,757	2,616,585
Internally restricted projects	3,363,785	3,040,913
	<u>15,843,920</u>	<u>13,866,545</u>

The project maintenance balance represents the net investment income of the PartnerParks Endowment Portfolio. The Project Fund represents the net assets of the fund to operate the Foundation's various projects and programs.

According to the funding agreement between The City of Calgary and the Foundation, the fund balance maintained in the Saddledome Amateur Sport Fund shall not be permitted to drop below \$500,000. As per above, this fund balance significantly exceeds this minimum.

Certain accounts within this fund are internally restricted given that the disposition of the fund is at the discretion of the Board.

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

b) Endowment Fund

Endowment Fund comprises the fund balances of the endowment projects under administration:

	As at December 31,	
	2023	2022
	\$	\$
Repsol Access Advantage Endowment Fund	3,037,223	2,896,765
Operating Endowment Fund	2,560,842	2,466,893
PartnerParks Endowment Fund	2,430,197	2,312,723
Art Smith Amateur Sport Endowment	2,421,776	2,319,420
Mario Stella Estate Fund	1,365,713	865,733
Founders' Legacy Operating Endowment Fund	1,569,303	996,355
Police & Fire Endowment Fund	155,678	146,171
Heritage Escarpment Endowment Fund	124,711	115,503
Legion Tree Endowment Fund	64,368	60,845
Patterson Homestead Park	53,862	50,701
Jack Leslie Youth Environment Award	35,006	33,438
	<u>13,818,679</u>	<u>12,264,547</u>

In 2023, \$561,091 (2022 - \$625,935) of investment income earned on the Endowment Capital Fund is reported under the Project Fund.

c) Capital Sustainment Fund

The Capital Sustainment Fund comprises the fund balances of reserves held for the maintenance of specific Foundation projects.

	As at December 31,	
	2023	2022
	\$	\$
Rotary/Mattamy Greenway Reserve Fund	2,950,884	2,812,238
Project Capital Sustainment Fund	464,531	294,543
Quinterra Legacy Park Sustainment Fund	121,785	116,491
Dedication Program Reserve Fund	475,924	446,238
Building Communities Fund	248,578	235,332
	<u>4,261,702</u>	<u>3,904,842</u>

In 2023, \$266,918 (2022 - \$291,478) of investment income earned on the Capital Sustainment Fund is reported under the Project Fund.

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

d) Operating Fund

The Operating Fund comprises the fund balances for administration and operating fiscal stability reserve fund.

	As at December 31,	
	2023	2022
	\$	\$
Administration - other than capital assets	1,054,729	1,402,206
Administration - capital assets	88,790	110,683
Operating Fiscal Stability Reserve Fund	714,147	979,202
	<u>1,857,666</u>	<u>2,492,091</u>
Operating Fiscal Stability Reserve Fund		
Beginning balance	979,202	1,027,689
Investment income	69,281	(207,897)
Adjustment for fair market value	-	159,410
Transfer to Capital Sustainment Fund	(334,336)	-
Total	<u>714,147</u>	<u>979,202</u>

The Operating Fiscal Stability Reserve Fund was created following a motion passed by the Board of Governors on September 30, 2010, with an initial amount transferred from the Greening a Great City Legacy campaign residual fund. The amount to be internally restricted each year is at the discretion of the Board. In the event of a deficit in Operating Administration, the Operating Fiscal Stability Reserve Fund can be made available for operating administration by approval of the Executive and the Board.

As per Foundation policy, the Board may approve the transfer of funds from the Operating Administration surplus to the internally restricted Operating Fiscal Stability Reserve Fund. During 2022, no transfer was made. During 2023 due to changes in estimates, the Board determined that the balance of the Fiscal Stability Reserve Fund was more than the ongoing requirements of the Foundation. As per Foundation policy, this excess was distributed to other reserves to aid in the funding of future operations, projects, or programs.

10 Members' Limited Liability

The liability of the members is limited to the guarantee given by each member to contribute a maximum of \$1 in the event the Foundation is wound-up.

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

11 Contributions by Source

During the years ending December 31, contributions were received from the following sources:

	2023	2022
	\$	\$
Government	9,570,098	3,079,423
Corporations	194,314	198,317
Individuals	699,759	1,080,917
Other not-for-profit	3,440,140	7,155,849
	<u>13,904,311</u>	<u>11,514,506</u>

For the year 2023, there were funds contributed by the City of Calgary pursuant to the Green Line Public Gardens Project for \$4,000,000 (2022 - \$nil) that are accounted for in alternative line items to Contributions on the Statement of Income, Expenses and Changes in Fund Balances (See notes 7 and 17)

12 Related Party Transactions

Related party balances and transactions not otherwise disclosed in these financial statements consist of contracted fees of \$5,600 (2022 - \$8,250) were paid to a corporation, related to a director of the Foundation, to act as a consultant to the Foundation management.

These transactions were in the normal course of operation and are recorded at their exchange amounts, which is the amount of consideration established and agreed to by the related parties.

13 Fundraising Expenses

As required under Section 7(2) of the Charitable Fund-Raising Act of Alberta, the Foundation discloses the following:

- a) Expenses incurred for the purposes of soliciting contributions in 2023 were \$33,138 (2022 - \$31,538).
- b) In 2023, \$307,203 (2022 - \$234,976) was paid as remuneration to employees whose principal duties involve fundraising and is recorded in the administration expense of the operating fund. The fundraising remuneration costs were determined by management, by allocating total remuneration of the employees involved in fundraising, using their best estimate of time spent by each employee.

14 Commitments

Under the terms of the Saddledome Amateur Sports Grant contracts, the Foundation is committed to pay out \$414,060 (2022 - \$689,156) of grants, subject to the conditions of the grants being satisfied. The funds for these commitments are in the externally restricted project fund.

Under the terms of contracts with project partners related to the Building Communities Program, the Foundation is committed to pay out \$487,565 (2022 - \$541,348) of grants, subject to the conditions of the grants being satisfied. The funds for these commitments are in the externally restricted project fund.

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

Under the terms of contracts with project partners related to the certain sport related programs, the Foundation is committed to pay out \$168,120 (2022 - \$108,120) of grants, subject to the conditions of the grants being satisfied. The funds for these commitments are in the externally restricted project fund.

In the normal course of business, the Foundation has entered into a series of agreements with a group of related vendors to provide internet, voice over internet telephone services (VOIP), telephone equipment and IT support. These contracts were for 1 to 4 year durations and represent the following commitment:

	2024	2025	2026	2027	Total
	\$	\$	\$	\$	\$
Total Annual Commitment	16,153	3,041	1,521	887	21,602

15 Inter-fund Transfers

During 2023, the Foundation transferred \$368,567 (2022 - \$319,180) to the Operating Fund from the Project Fund for management fees which were accrued for management of various Foundation capital projects and programs.

During 2023, the Foundation transferred \$360,269 (2022 - \$437,869) to the Operating Fund from the Project Fund for administrative fees which were accrued for administration of various Foundation Managed Funds for endowments, capital projects and programs.

During 2023, the Foundation transferred \$129,576 (2022 - \$126,016) to the Operating Fund from the Endowment Fund for the outstanding portion of investment earnings from the Operating Endowment Fund as calculated using a defined method per the Memorandum of Agreement between the City of Calgary and the Foundation.

During 2023, the Foundation transferred \$200,000 (2022 - \$nil) to the Project Fund from the Operating Fund for the Foundation's capital sustainment projects planned for the Haultain School.

During 2023, the Foundation transferred \$60,500 (2022 - \$nil) to the Project Fund from the Operating Fund for the Foundation's capital projects and programs.

During 2023, the Foundation transferred \$937,056 (2022 - \$nil) to the Endowment Fund from the Operating Fund. The funds were received from various sources of accumulated revenues in excess of expenses and the reallocation of funds reserved for fiscal stability.

During 2023, the Foundation transferred \$160,280 (2022 - \$nil) to the Capital Sustainment Fund from the Operating Fund. The funds were received from various sources of accumulated revenues in excess of expenses and the reallocation of funds reserved for fiscal stability.

16 Granted Funds

The Foundation granted a total of \$1,272,541 in 2023 (2022 - \$1,306,673) to community projects and organizations. Of this total, \$499,182 (2022 - \$252,710) was granted to external organizations and \$773,359 (2022 - \$1,053,963) was granted internally to organizations participating in the Project Support Program.

The Parks Foundation, Calgary

Notes to Financial Statements

For the year ending December 31, 2023

17 Reclassification

Comparative figures have been reclassified, where applicable, to conform to the current year's presentation. This reclassification has no impact on the statement of income, expenses and change in fund balances.

18 Green Line Public Gardens Financial Information

Initial funding from the City of Calgary for Green Line Gardens Project of \$4,000,000 was granted to the Foundation in 2023. It is intended to serve as leverage funding to plan, design and construct six public spaces in proximity to the Green Line LRT (light rapid transit) corridor. The funds, net of fees owed to the Foundation, were recorded as Unearned Revenue, and will be recognized into income as they are awarded to the individual public space projects and for management fees collected. The George Moss Park Revitalization Project was the first of the public spaces to begin construction in 2023 and will be completed during the spring and summer of 2024.

	Green Line Gardens Project Master Funding	George Moss Park Revitalization Project
Statement of Financial Position		
As at December 31, 2023		
Assets		
Cash	3,519,977	356,650
Accounts Receivable	<u>3,519,977</u>	<u>19,803</u>
	<u>3,519,977</u>	<u>376,453</u>
Liabilities		
Due to PFC		(39,102)
Deferred Revenue	(3,520,000)	
Fund Balance	<u>23</u>	<u>(337,351)</u>
	<u>(3,519,977)</u>	<u>(376,453)</u>

Statement of Income, Expense and Changes in Fund Balances

For the year ended December 31, 2023

Revenues		
Contributions		410,000
Deferred Revenue Recognized	400,000	
Expense		
Project Costs	(23)	(1,508)
Construction Costs		(471,142)
Transfers		
Green Line Funding Awarded	<u>(400,000)</u>	<u>400,000</u>
(Deficiency)/Excess income over expenses after transfer	(23)	337,351
Fund balance, beginning of year	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>(23)</u>	<u>337,351</u>

Current unused funds included in the George Moss Park Revitalization Project are expected to fund on-going work to finish the project during the 2024 fiscal year.