

Calgary Stampede Foundation

Financial Statements
December 31, 2022



Independent auditor's report

To the Members of the Audit and Finance Committee of Calgary Stampede Foundation

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Calgary Stampede Foundation (the Foundation) as at December 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at December 31, 2022;
- the statement of revenue and expenses for the year then ended;
- the statement of changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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

Independence

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

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
April 28, 2023

Calgary Stampede Foundation

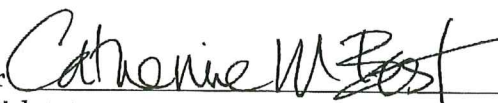
Statement of Financial Position

As at December 31, 2022

					2022	2021
	General Fund \$	Designated Youth Fund \$	Designated Fund \$ (note 7)	Capital Fund \$	Total \$	Total \$
Assets						
Current assets						
Cash	5,253,123	500	-	23,049,552	28,303,175	1,775,224
Accounts receivable (notes 11, 12 and 13)	160,191	295,596	-	101,058	556,845	93,892
Prepaid expenses	-	7,410	-	-	7,410	396
Current portion of prepaid rent (note 11)	-	505,597	-	-	505,597	466,052
Due to/from funds	(1,812,985)	1,814,650	(1,665)	-	-	-
Current portion of investments (note 3)	-	973,819	-	-	973,819	2,601,625
	3,600,329	3,597,572	(1,665)	23,150,610	30,346,846	4,937,189
Long-term portion of prepaid rent (note 11)	-	1,516,790	-	-	1,516,790	1,864,211
Long-term portion of investments (note 3)	1,482,676	1,104,075	7,334,111	-	9,920,862	30,663,549
Tangible capital assets (note 4)	142,194	-	-	32,797,263	32,939,457	30,816,357
Collections	-	-	-	1	1	1
	5,225,199	6,218,437	7,332,446	55,947,874	74,723,956	68,281,307
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities (notes 11, 12 and 13)	245,272	31,669	-	1,181,490	1,458,431	665,731
Deferred donations	650,000	205,557	-	-	855,557	1,078,827
Deferred capital contributions (note 5)	13,495	-	-	-	13,495	17,997
	908,767	237,226	-	1,181,490	2,327,483	1,762,555
Share capital						
Authorized						
2 common shares without nominal or par value	-	-	-	-	-	-
Issued and outstanding						
2 (2021 - 2) common shares	2	-	-	-	2	2
Fund Balances						
Externally restricted (note 7)	-	5,981,211	393,574	42,069,870	48,444,655	41,622,984
Internally restricted (notes 7 and 8)	408,892	-	4,842,033	1,406,597	6,657,522	7,961,156
Restricted to endowments (note 7)	-	-	2,096,839	-	2,096,839	2,006,964
Invested in tangible capital assets	29,637	-	-	11,289,917	11,319,554	11,278,419
Unrestricted	3,877,901	-	-	-	3,877,901	3,649,227
	4,316,430	5,981,211	7,332,446	54,766,384	72,396,471	66,518,750
	5,225,199	6,218,437	7,332,446	55,947,874	74,723,956	68,281,307

Approved by the Board of Directors

Director



Director

The accompanying notes are an integral part of these financial statements.

Calgary Stampede Foundation

Statement of Revenue and Expenses

For the year ended December 31, 2022

					2022	2021
	General Fund \$	Designated Youth Fund \$	Designated Fund \$	Capital Fund \$	Total \$	Total \$
Revenue						
Donations (note 11)	1,499,502	2,230,888	80,206	2,709,935	6,520,531	1,802,050
Government grants and subsidies (note 6)	8,027	16,620	-	4,763,209	4,787,856	999,342
Sponsorship (note 11)	-	160,000	-	-	160,000	155,000
Investment income (notes 3, 7 and 12)	-	-	-	-	-	1,302,858
Amortization of deferred capital contributions (note 5)	4,502	-	-	-	4,502	4,502
Other	90,921	398,039	-	-	488,960	441,208
	<u>1,602,952</u>	<u>2,805,547</u>	<u>80,206</u>	<u>7,473,144</u>	<u>11,961,849</u>	<u>4,704,960</u>
Expenses						
Programs (note 11)						
Young Canadians School of Performing Arts	-	564,586	-	-	564,586	455,848
Stampede Band	-	1,063,403	-	-	1,063,403	629,686
Stampede School	-	226,512	-	-	226,512	152,478
OH Ranch Education Program	-	88,716	-	-	88,716	65,176
Indigenous Youth Programming	-	44,909	-	-	44,909	1,897
4-H Programs	-	280,628	-	-	280,628	72,142
Grants and scholarships (note 10)	-	155,366	-	-	155,366	109,327
Fundraising (note 9)	308,482	19,623	-	-	328,105	312,907
Facility expenses	243,338	-	-	-	243,338	196,009
Sam Centre	564,766	-	-	-	564,766	129,952
Administration (note 11)	382,953	-	-	-	382,953	291,565
Loss on investments (notes 3, 7 and 12)	212,645	40,484	1,111,384	39,313	1,403,826	133,256
Amortization	8,900	-	-	728,120	737,020	749,289
	<u>1,721,084</u>	<u>2,484,227</u>	<u>1,111,384</u>	<u>767,433</u>	<u>6,084,128</u>	<u>3,299,532</u>
Excess (deficiency) of revenue over expenses	<u>(118,132)</u>	<u>321,320</u>	<u>(1,031,178)</u>	<u>6,705,711</u>	<u>5,877,721</u>	<u>1,405,428</u>

The accompanying notes are an integral part of these financial statements.

Calgary Stampede Foundation

Statement of Changes in Fund Balances

For the year ended December 31, 2022

	2022				
	General Fund \$	Designated Youth Fund \$	Designated Fund \$	Capital Fund \$	Total \$
Balance – Beginning of year					
Externally restricted	-	5,447,758	850,380	35,324,846	41,622,984
Internally restricted	495,903	-	5,597,604	1,867,649	7,961,156
Fund balances subject to restrictions that they be maintained permanently as endowments	-	-	2,006,964	-	2,006,964
Internally restricted fund balances invested in tangible capital assets	29,637	-	-	11,248,782	11,278,419
Unrestricted	3,649,227	-	-	-	3,649,227
	4,174,767	5,447,758	8,454,948	48,441,277	66,518,750
Excess (deficiency) of revenue over expenses	(118,132)	321,320	(1,031,178)	6,705,711	5,877,721
Interfund transfers (notes 7 and 8)	259,795	212,133	(91,324)	(380,604)	-
Balance – End of year	4,316,430	5,981,211	7,332,446	54,766,384	72,396,471
	2021				
	General Fund \$	Designated Youth Fund \$	Designated Fund \$	Capital Fund \$	Total \$
Balance – Beginning of year					
Externally restricted	-	5,835,912	572,795	34,391,934	40,800,641
Internally restricted	362,883	-	5,058,523	2,116,693	7,538,099
Fund balances subject to restrictions that they be maintained permanently as endowments	-	-	1,804,515	-	1,804,515
Internally restricted fund balances invested in tangible capital assets	29,637	-	-	11,248,782	11,278,419
Unrestricted	3,691,648	-	-	-	3,691,648
	4,084,168	5,835,912	7,435,833	47,757,409	65,113,322
Excess (deficiency) of revenue over expenses	(219,953)	(487,866)	1,299,427	813,820	1,405,428
Interfund transfers (notes 7 and 8)	310,552	99,712	(280,312)	(129,952)	-
Balance – End of year	4,174,767	5,447,758	8,454,948	48,441,277	66,518,750

The accompanying notes are an integral part of these financial statements.

Calgary Stampede Foundation

Statement of Cash Flows

For the year ended December 31, 2022

	2022 \$	2021 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses of the General, Designated Youth and Designated Funds	(827,990)	591,608
Items not affecting cash		
Amortization of tangible capital assets in the General Fund	8,900	8,901
Amortization of deferred capital contributions	(4,502)	(4,502)
Unrealized loss (gain) on investments	2,582,699	(792,269)
	<u>1,759,107</u>	<u>(196,262)</u>
Changes in non-cash working capital		
Accounts receivable	(462,953)	66,934
Prepaid expenses	(7,014)	85,518
Prepaid rent (note 11)	307,876	68,119
Accounts payable and accrued liabilities	1,472,310	20,578
Deferred donations	(223,270)	35,514
	<u>2,846,056</u>	<u>80,401</u>
Investing activities		
Purchase of tangible capital assets	(2,860,120)	(1,164,449)
Purchase of investments	(10,079,521)	(18,475,835)
Sale of investments	29,939,409	18,042,256
Net change in non-cash working capital	(679,610)	284,951
	<u>16,320,158</u>	<u>(1,313,077)</u>
Financing activities		
Endowment contributions	(72,094)	-
Investment loss in the Capital Fund	(39,313)	(119,092)
Repayment of debt (note 11)	-	(2,000,000)
Donations and grants to the Capital Fund	7,473,144	1,673,300
	<u>7,361,737</u>	<u>(445,792)</u>
Increase (decrease) in cash during the year	26,527,951	(1,678,468)
Cash – Beginning of year	<u>1,775,224</u>	<u>3,453,692</u>
Cash – End of year	<u>28,303,175</u>	<u>1,775,224</u>

The accompanying notes are an integral part of these financial statements.

Calgary Stampede Foundation

Notes to Financial Statements

December 31, 2022

1 Purpose of the organization

The Calgary Stampede Foundation (the Foundation) was incorporated under the Companies Act of Alberta in 1994 as a not-for-profit organization and is a registered charity under the Income Tax Act (Canada) and, accordingly, is not subject to income taxes. The Foundation's two shareholders are the Calgary Exhibition and Stampede Limited (the Calgary Stampede) and the Calgary Foundation.

The Foundation is committed to providing the youth of Alberta with the opportunity to develop strong roots in their culture and heritage through programs that enhance personal growth, citizenship and education. The Foundation's programs include Stampede School, Young Canadians School of Performing Arts, Calgary Stampede Showband, Band of Outriders, Showriders, OH Ranch Education Program, 4-H Programs and Indigenous Youth Programming. Many of the programs operate within the Foundation's Youth Campus, a hub of professional and educational arts, training, and performance, including industry leading arts training facilities and indoor and outdoor performance and gathering places. The Foundation also administers a number of youth scholarship programs. Scheduled to open in Spring 2024, the Foundation will operate the Sam Centre, the only year-round immersive experience offering an intimate look at the rich history of the Calgary Stampede and its role in the community.

2 Significant accounting policies

Basis of accounting

The financial statements of the Foundation are prepared in accordance with Accounting Standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board.

These financial statements include the Foundation's 42% interest in the ENMAX Park jointly controlled assets.

The Foundation follows the restricted-fund method of accounting for its funds as follows:

- General Fund

The General Fund accounts for the Foundation's equipment, maintenance of the youth campus, and administrative activities.

- Designated Youth Fund

The Designated Youth Fund accounts for activities related to the Foundation's programs.

Calgary Stampede Foundation

Notes to Financial Statements

December 31, 2022

- Designated Fund

The Designated Fund accounts for the Foundation's endowment funds, the principal of which must be permanently maintained, and for contributions specified by the donor to be held for a period of not less than ten years, the income from which is to be used for the benefit of a specified activity. Once a contribution exceeds the ten-year minimum, the funds are transferred to the General Fund until the Foundation's board of directors determines the specific use for any remaining funds from that contribution.

- Capital Fund

The Capital Fund accounts for the assets, liabilities, revenue and expenses related to land, as well as the fundraising revenue, construction costs and amortization associated with capital projects.

Revenue recognition

Restricted contributions for the acquisition of land and capital projects are recognized as revenue in the Capital Fund. Restricted contributions for equipment not assigned to a capital project are recognized in the General Fund as deferred contributions and are recognized over the period that the related asset is amortized. Contributions of gifts to be held for a period of no less than ten years and contributions for endowments are recognized as revenue in the Designated Fund. Restricted contributions for youth programming are recognized as revenue in the Designated Youth Fund.

Unrestricted donations, contributions and other income are recognized as revenue when received or receivable in the General Fund. Restricted contributions related to general operations are recognized as revenue in the General Fund in the period in which the associated expenses are incurred.

Investment income restricted by the contributor for capital projects is recorded in the Capital Fund. Investment income on designated funds restricted by the contributor is recorded in the Designated Fund. Investment income restricted by the contributor for designated youth programs is recorded in the Designated Youth Fund. Unrestricted investment income is recorded in the General Fund.

Government subsidies provided through COVID-19 relief programs have been recognized as revenue in the relevant fund, in line with the fund in which the associated expense is recognized.

Investments

Investments include cash, bonds, debentures, pooled and non-pooled equities and the cash surrender value of a life insurance policy, and are recorded at fair value in accordance with the Foundation's investment policies. Investment income is valued using bid pricing rates. Long-term investments include cash items held in the investment portfolio that are not for operating purposes and cannot be relied on for immediate liquidation and use.

Calgary Stampede Foundation

Notes to Financial Statements

December 31, 2022

Investment income including interest and dividends is recognized as revenue when receivable. Realized and unrealized gains and losses due to changes in fair value are recorded in investment income in the period in which they arise.

Tangible capital assets

Tangible capital assets are recorded at cost. The Foundation provides for amortization of equipment on a straight-line basis designed to amortize the cost of the asset over its estimated useful life. The cost of tangible capital assets made up of significant separable component parts is allocated to the component parts when practicable and when estimates can be made of the estimated useful lives of the separate components.

Tangible capital assets are tested for impairment when conditions indicate that a tangible capital asset no longer contributes to the Foundation's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the tangible capital asset is less than its net carrying amount. When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets are recognized as expenses in the statement of revenue and expenses. Write-downs are not subsequently reversed.

The Foundation has been gifted artwork for public display. The value of the artwork has been determined at fair market value at the time of gifting, and if the artwork were to be sold, the proceeds of disposition would be used for general operations of the Foundation. Amortization is not applied to the public art collection.

Collections

The Foundation collects and preserves materials that help tell the story of the Calgary Stampede from the mid-1880s to the present for public display. Materials include artifacts, photographs and works of art.

The Foundation collections are recorded on the statement of financial position at a nominal value. The difference between the purchase price for a collection item and the nominal value is recognized in the statement of revenue and expenses. In addition, all other costs attributable to the purchase or receipt of contributed collections items are recognized in the statement of revenue and expenses.

Donations of materials and services

Donated materials that would otherwise be paid for by the Foundation are recorded at fair value when provided. The work of the Foundation is dependent on the voluntary services of many individuals. As such, these services are not normally purchased by the Foundation, and because of the difficulty of determining their fair value, such donated services are not recognized in these financial statements.

Calgary Stampede Foundation

Notes to Financial Statements

December 31, 2022

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost unless management has elected to record at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

Financial instruments as a result of related party transactions are measured at cost. For financial instruments with no repayment terms, cost is determined by reference to the consideration transferred or received. For financial instruments with repayment terms, cost is determined as the sum of undiscounted cash flows less any impairment losses previously recognized.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of revenue and expenses.

With respect to financial assets measured at cost or amortized cost, the Foundation recognizes in the statement of revenue and expenses an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of revenue and expenses in the period the reversal occurs.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses for the reporting periods. The most significant of these estimates are related to the recoverable amount of the Foundation's accounts receivable, the amortization period for and potential impairment of tangible capital assets, accrued liabilities and potential contingencies. Actual results could differ significantly from the estimates. Management reviews these estimates on a periodic basis and, if required, makes adjustments prospectively.

Calgary Stampede Foundation

Notes to Financial Statements

December 31, 2022

3 Investments

Investments aggregating \$10,894,681 (2021 – \$33,265,174) are composed of \$10,837,837 (2021 – \$33,210,051) held by third party investment managers and \$56,844 (2021 – \$55,123) in cash surrender value of a life insurance policy.

The investment portfolio is composed of cash and cash equivalents, bonds, debentures and both pooled and non-pooled equities in accordance with the Foundation's investment policies. Investments held in the Capital fund were sold in 2022 to provide cashflow for the construction of the Sam Centre. The asset mix of the funds as at December 31 is as follows:

	2022			2021		
	Capital %	Other %	Total %	Capital %	Other %	Total %
Cash and cash equivalents	-	2.6	2.6	3.1	1.3	4.4
Bonds	-	43.5	43.5	59.5	15.3	74.8
Canadian equity	-	25.6	25.6	-	9.7	9.7
U.S. equity	-	13.8	13.8	-	5.8	5.8
International equity	-	14.5	14.5	-	5.3	5.3
	-	100.0	100.0	62.6	37.4	100.0

As at December 31, 2022, the bonds in the investment portfolio had an average term of 11.1 years (2021 – 11.0 years), average duration of 7.5 years (2021 – 8.5 years) and an effective interest yield of 4.6% (2021 – 2.0%).

4 Tangible capital assets

	Useful lives	2022		
		Cost \$	Accumulated amortization \$	Net \$
Equipment	5 – 40	2,308,083	1,027,153	1,280,930
Buildings and leasehold improvements	9 – 50	17,454,042	3,109,717	14,344,325
Land	-	11,248,782	-	11,248,782
Art	-	98,870	-	98,870
Youth Campus development projects	-	5,966,550	-	5,966,550
		37,076,327	4,136,870	32,939,457

Calgary Stampede Foundation

Notes to Financial Statements

December 31, 2022

			2021	
	Useful lives	Cost \$	Accumulated amortization \$	Net \$
Equipment	5 – 40	2,308,083	841,826	1,466,257
Buildings and leasehold improvements	9 – 50	17,412,427	2,558,024	14,854,403
Land	-	11,248,782	-	11,248,782
Art	-	98,870	-	98,870
Youth Campus development projects	-	3,148,045	-	3,148,045
		<u>34,216,207</u>	<u>3,399,850</u>	<u>30,816,357</u>

Youth Campus development projects as at December 31, 2022 included \$5,777,912 (2021 – \$2,959,407) spent on the Sam Centre and \$188,638 (2021 – \$188,638) spent on Oliver House. Amortization on Youth Campus development projects will not commence until they are put into use.

5 Deferred capital contributions

The Foundation receives capital contributions from various sources to assist in the financing of tangible capital asset acquisitions. Deferred capital contributions are recorded in the statement of revenue and expenses in the same proportion as the amortization of the related assets for which the capital contributions were expended. Details of deferred capital contributions are as follows:

	2022 \$	2021 \$
Balance – Beginning of year	17,997	22,499
Additions	-	-
Amortization	(4,502)	(4,502)
Balance – End of year	<u>13,495</u>	<u>17,997</u>

6 Government grants

The Foundation received funding from the Government of Canada and the Province of Alberta, as follows:

- Funding from the Government of Alberta through a Support for Cultural Infrastructure grant in the amount of \$3,144,000 (2021 – \$nil) to support the construction of Sam Centre.
- Funding from the Government of Canada through the Department of Canadian Heritage in the amount of \$1,619,209 (2021 – \$715,800) to support the construction of Sam Centre.

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- Funding from the Government of Canada under the Canada Summer Jobs Program in the amount of \$24,647 (2021 – \$15,666) to subsidize wages for youth employment.
- COVID-19 related government funding
 - a) Canada Emergency Wage Subsidy (CEWS) – due to the decrease in revenue as a result of COVID-19, the Foundation received the Government of Canada’s Canada Emergency Wage Subsidy to cover a portion of its employee wages in the amount of \$nil (2021 – \$247,228).
 - b) Alberta Small and Medium Enterprise Relaunch Grant – the Foundation received the Province of Alberta’s Alberta Small and Medium Enterprise Relaunch Grant to help offset a portion of costs incurred to minimize the risk of virus transmission in its facilities. In 2021, \$nil (2021 – \$20,648) was recognized as revenue.

7 Designated Fund

Endowment Funds

Amounts restricted for endowment purposes are donations from donors that have externally imposed restrictions requiring donated funds to be maintained in perpetuity and additions made for inflation and other capitalized amounts.

	2022 \$	2021 \$
Stampede School endowments	1,000,000	1,000,000
OH Ranch Education endowments	849,058	844,058
Performing Arts endowments	247,781	162,906
	<hr/>	<hr/>
	2,096,839	2,006,964
Accumulated investment income earned on endowments	226,323	647,070
Annual disbursement/transfer to Designated Youth Fund to support programs	(73,962)	(76,904)
Endowment fund assets not permanently restricted	(152,361)	(570,166)
	<hr/>	<hr/>
	2,096,839	2,006,964
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Calgary Stampede Foundation

Notes to Financial Statements

December 31, 2022

Internally restricted funds

The following funds were internally restricted by the Foundation's board of directors.

	2022 \$	2021 \$
Nat Christie Fund for Youth Campus	4,641,226	4,731,720
Performing Arts Fund	174,575	162,906
Robson Family Instrument Fund	27,323	44,889
	<hr/>	<hr/>
	4,843,124	4,939,515
Accumulated investment income earned on internally restricted funds	8,909	854,907
Annual disbursement/transfer to Designated Youth Fund to support programs	(10,000)	(16,218)
Annual disbursement/transfer to General Fund to support programs	-	(180,600)
	<hr/>	<hr/>
	4,842,033	5,597,604
	<hr/>	<hr/>

Other designated funds

Other designated funds are composed of the following individual funds:

	2022 \$	2021 \$
Past Presidents and Honorary Life Directors	153,888	182,366
Queen's Alumni Advancement Fund	86,147	97,848
Endowment funds not permanently restricted	153,539	570,166
	<hr/>	<hr/>
	393,574	850,380
	<hr/>	<hr/>

Other designated funds are used to award scholarships and support youth programming as outlined in the specific donor agreements. All investment income for these funds is restricted, and income that is not disbursed remains within the Designated Fund. In 2022, distributions from externally restricted funds included a distribution of \$7,361 (2021 – \$6,590) to the Designated Youth Fund to support the Foundation's Stampede School program.

8 Other internally restricted funds

General fund

In 2022, \$75,000 was internally restricted to the Foundation's Youth Campus Capital Replacement Fund (2021 – \$75,000). Total funds internally restricted to the Youth Campus Capital Replacement Fund were \$450,000 (2021 – \$375,000). Funds totalling \$41,135 from the Youth Campus Capital Replacement Fund were used in 2022 for improvements to the TransAlta Performing Arts Studios, leaving \$408,865 for future years. The remaining \$27 (2021 – \$120,903) internally restricted in the General Fund relates to unspent distributions from the Nat Christie Fund to support Youth Campus operations.

Calgary Stampede Foundation

Notes to Financial Statements

December 31, 2022

Capital fund

Internally restricted funds in the Capital Fund are made up of \$806,597 (2021 – \$1,267,649) of cumulative investment income earned on donations to the Capital Fund net of interfund transfers and \$600,000 of Nat Christie funds transferred from the Designated Fund.

9 Fundraising expenses

As required under Section 7(2) of the Charitable Fundraising Regulation in Alberta, the following amounts are disclosed:

	2022 \$	2021 \$
Amounts paid as remuneration to employees whose principal duties involve fundraising	198,246	186,002
Amounts paid as remuneration to a fundraising business	-	-

As part of the COVID-19 related government funding, \$nil (2021 – \$50,802) of CEWS was received relating to remuneration paid to employees whose principal duties involve fundraising.

10 Grants and scholarships

The Foundation awarded the following grants and scholarships:

	2022 \$	2021 \$
Young Artist Poster Scholarship	30,000	20,000
Junior Livestock Scholarship	54,000	35,000
Western Showcase Committee Art Scholarship	5,500	2,000
Steer Classic Scholarship	8,250	23,050
Clyde D'Arcy Scholarship	10,000	-
Flores La Due Advancement Fund	12,250	9,250
Rotary Access Fund	35,366	20,027
	<hr/> 155,366	<hr/> 109,327

11 Related party transactions

Calgary Stampede

The Foundation is controlled by the Calgary Stampede by its ability and right to appoint the majority of the Foundation's board of directors.

Calgary Stampede Foundation

Notes to Financial Statements

December 31, 2022

The Foundation conducted business transactions with the Calgary Stampede to assist the Foundation in delivering its programs and host fundraising events. Transactions relating to expenses incurred and services provided, totalling \$542,867 (2021 – \$210,403), are in the normal course of operations. Of the total amount, \$518,907 (2021 – \$183,652) was used for program expenses and \$23,960 (2021 – \$26,751) was used for administrative activities.

In 2022, the Foundation received \$2,801,890 from the Calgary Stampede (2021 – \$58,225), including \$1,500,000 supporting Youth Performance Programs, \$1,135,000 for the Sam Centre, \$92,000 for scholarships, \$39,890 for ENMAX Park, and \$35,000 supporting the 4-H Programs.

The net accounts payable due to the Calgary Stampede as at December 31, 2022 was \$1,285,497 (2021 – \$564,968). The amount due is non-interest bearing and has no specified terms of repayment.

The net costs to maintain and operate the jointly controlled assets of ENMAX Park in 2022 were \$92,660 (2021 – \$53,948), of which \$38,917 (2021 – \$22,658) was paid by the Foundation, representing its 42% (2021 – 42%) proportionate share in the ENMAX Park jointly controlled assets.

A standby letter of credit was issued by a Canadian chartered bank on behalf of the Calgary Stampede in favour of the City of Calgary for the amount of \$30,000 (2021 – \$30,000) required by the City as security during the construction of the Foundation's BMO Amphitheatre. As at December 31, 2022, no amount had been drawn on the standby letter of credit.

In 2019, the Calgary Stampede and the Foundation entered into a five-year term sponsorship agreement, for a total of \$800,000 of funding over the term of the agreement. In 2022, \$160,000 (2021 – \$155,000) was contributed to the Foundation under the terms of the agreement. Due to the cancellation of Stampede 2020, the agreement was extended to 2024.

Construction Agency Agreements were signed between the Foundation and the Calgary Stampede to support the construction of Doherty Hall, the Sam Centre and other infrastructure. The Calgary Stampede is to act as the Foundation's development manager and agent in all matters pertaining to the services, materials and equipment required to complete the projects. Under the terms of the agreements, project costs incurred by the Calgary Stampede are reimbursed by the Foundation at cost. Expenditures totalled \$nil (2021 – \$94,641) for Oliver House and \$2,818,505 for the Sam Centre (2021 – \$1,029,317).

In 2016, the Foundation signed license and preferred access agreements with the Calgary Stampede to use each of the Nutrien Western Event Centre and the OH Ranch Cookhouse for a ten-year term, expiring in 2026. The aggregate paid-up license fee remaining for the related facilities is \$2,022,387 (2021 – \$2,330,263).

Calgary Foundation

As one of the beneficial owners of the two authorized, issued and outstanding shares of the Foundation, the Calgary Foundation has a right to appoint a minority of the Foundation's board of directors. Grants totalling \$118,500 (2021 – \$10,000) were approved and paid from the Calgary Foundation's Donor Advised and Flow-through funds.

Calgary Stampede Foundation

Notes to Financial Statements

December 31, 2022

Board of directors

Donations totalling \$438,702 (2021 – \$394,424) were gifted to the Foundation from members of the Foundation's board of directors and their immediate families.

12 Financial instruments

The Foundation's financial instruments include cash, accounts receivable, investments, accounts payable and accrued liabilities. The risk assessment of these accounts is as below:

Equity risk

A significant portion of the Foundation's financial assets are investments, which represent the Foundation's exposure to equity risk. As disclosed in note 3, the Foundation's investment portfolio is largely invested in marketable securities, such as bonds, common shares, or in equity-like securities, such as mutual funds. The value of these securities changes as the business, financial condition, management and other relevant factors affecting the company that issued the securities change, as well as changes in the general economic condition of the markets in which they operate, thereby exposing the Foundation to these fluctuations in value. The impacts of the COVID-19 pandemic and the recovery therefrom coupled with several factors including higher levels of uncertainty due to the Russian invasion of Ukraine and its impact on energy markets, rising interest and inflation rates, and constrained supply chains have created a higher level of volatility and uncertainty.

Foreign exchange risk

As a portion of the Foundation's investment portfolio is denominated in foreign currencies, the Foundation is exposed to fluctuations in those currencies.

Credit risk

50% (2021 – 33%) of the Foundation's accounts receivable are from a diverse group and are subject to normal credit risks. 50% (2021 – 67%) of the total accounts receivable are due from a related party or government agencies.

Liquidity risk

The Foundation's objective is to have sufficient liquidity to meet its liabilities when due. The Foundation monitors its cash balances and cash flows generated from operations to meet its requirements.

Interest rate risk

The Foundation is exposed to interest rate risk given that its investments have varying maturity dates. Accordingly, if interest rates decline, the Foundation may not be able to reinvest the maturing investment at a rate similar to that of the balance maturing.

Calgary Stampede Foundation

Notes to Financial Statements

December 31, 2022

13 Government remittances recoverable and/or payable

As at December 31, 2022, the Foundation had government remittances receivable relating to GST rebates of \$41,717 (2021 – \$11,386) and government remittances payable relating to payroll of \$34,434 (2021 – \$nil).

14 Coronavirus pandemic (COVID-19)

The COVID-19 pandemic significantly impacted the Foundation's financial position. From March 2020 to April 2022, public health orders impeded the Foundation's ability to deliver in-person programming. Some programming was cancelled or postponed, however where possible, modified programming was offered remotely to participants. The Foundation will continue to monitor the impacts of the pandemic on the community that it serves and will adjust to the situation as required.

15 Comparative figures

Certain of the prior year figures have been reclassified where necessary to conform to the current year's presentation.