

Financial Statements

Calgary Health Trust

March 31, 2020

Independent auditor's report

To the Board of Trustees of
Calgary Health Trust

Opinion

We have audited the accompanying financial statements of Calgary Health Trust (the "Trust"), which comprise the statement of financial position as at March 31, 2020, the statements of operations and changes in fund balances, accumulated remeasurement gains and losses and cash flows for the year then ended and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at March 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with Canadian public-sector accounting standards.

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 Trust 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 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust'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 Trust'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 Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Trust 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.

Calgary, Canada
June 19, 2020

Ernst & Young LLP

Chartered Professional Accountants



Calgary Health Trust

STATEMENT OF FINANCIAL POSITION

As at March 31

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
ASSETS		
Cash (<i>note 3</i>)	73,864,791	70,814,836
Accounts receivable (<i>note 4</i>)	741,457	906,403
Prepaid expenses (<i>note 5</i>)	768,905	563,150
Portfolio investments, at market value (<i>note 6</i>)	74,453,110	75,954,573
Other assets (<i>note 9</i>)	1,215,658	1,253,387
	<u>151,043,921</u>	<u>149,492,349</u>
LIABILITIES		
Accounts payable and accrued liabilities (<i>note 10</i>)	2,208,776	1,849,181
Charitable disbursements payable (<i>note 10</i>)	8,033,010	4,357,956
Deferred revenue	11,010,531	11,333,829
	<u>21,252,317</u>	<u>17,540,966</u>
Commitments (<i>note 9</i>)		
FUND BALANCES		
Operating Fund	12,811,335	10,675,653
Restricted Fund	91,350,299	90,134,885
Endowment Fund (<i>note 7</i>)	32,029,363	30,905,834
	<u>136,190,997</u>	<u>131,716,372</u>
Accumulated remeasurement (losses) gains	(6,399,393)	235,011
	<u>151,043,921</u>	<u>149,492,349</u>

See accompanying notes

On behalf of the Board:

Signed "William Sembo"
Director

Signed "Dan Silvester"
Director

Calgary Health Trust

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended March 31

	Operating Fund		Restricted Fund		Endowment Fund		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Donations	1,808,105	996,398	10,677,712	7,931,012	50,500	285,659	12,536,317	9,213,069
Lotteries	1,108,041	916,165	28,085,508	27,547,323	-	-	29,193,549	28,463,488
Events	50,083	56,828	1,665,712	1,417,861	-	-	1,715,795	1,474,689
	2,966,229	1,969,391	40,428,932	36,896,196	50,500	285,659	43,445,661	39,151,246
Grants - Alberta Health Services (note 10a)	2,416,464	2,372,565	-	-	-	-	2,416,464	2,372,565
Grants - Other Government	15,260	1,586	-	-	-	-	15,260	1,586
Investment income (note 8)	2,547,141	2,498,904	1,479,655	2,105,675	603,414	-	4,630,210	4,604,579
	7,945,094	6,842,446	41,908,587	39,001,871	653,914	285,659	50,507,595	46,129,976
Expenses								
Operating (note 11)	5,528,499	5,224,325	600,111	360,872	-	-	6,128,610	5,585,197
Lotteries	-	-	17,891,823	17,060,398	-	-	17,891,823	17,060,398
Events	-	-	357,977	168,488	-	-	357,977	168,488
	5,528,499	5,224,325	18,849,911	17,589,758	-	-	24,378,410	22,814,083
Excess of revenue over expenses before charitable disbursements	2,416,595	1,618,121	23,058,676	21,412,113	653,914	285,659	26,129,185	23,315,893
Charitable disbursements								
Alberta Health Services (note 10a)	-	-	18,253,730	9,543,945	-	-	18,253,730	9,543,945
University of Calgary	-	-	3,272,505	4,122,759	-	-	3,272,505	4,122,759
Other organizations	-	-	128,325	125,934	-	-	128,325	125,934
	-	-	21,654,560	13,792,638	-	-	21,654,560	13,792,638
Excess of revenue over expenses and charitable disbursements	2,416,595	1,618,121	1,404,116	7,619,475	653,914	285,659	4,474,625	9,523,255
Fund balances, beginning of year	10,675,653	9,415,630	90,134,885	82,496,118	30,905,834	30,281,369	131,716,372	122,193,117
Inter-fund transfers (note 12)	(280,913)	(358,098)	(188,702)	19,292	469,615	338,806	-	-
Fund balances, end of year	12,811,335	10,675,653	91,350,299	90,134,885	32,029,363	30,905,834	136,190,997	131,716,372

See accompanying notes

Calgary Health Trust

STATEMENT OF ACCUMULATED REMEASUREMENT GAINS AND LOSSES

Year ended March 31

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
Accumulated remeasurement gains (losses) at beginning of year	<u>235,011</u>	<u>(643,418)</u>
Unrealized (losses) gains attributable to:		
Portfolio investments	(5,556,899)	2,520,167
Less Realized gains reclassified to the statement of operations:		
Portfolio investments	<u>(1,077,505)</u>	<u>(1,641,738)</u>
Net remeasurement (losses) gains for the year	<u>(6,634,404)</u>	<u>878,429</u>
Accumulated remeasurement (losses) and gains at end of year	<u>(6,399,393)</u>	<u>235,011</u>

See accompanying notes

Calgary Health Trust

STATEMENT OF CASH FLOWS

Year ended March 31

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
Operating transactions		
Cash received from:		
Operating grants	2,050,260	1,426,592
Donations	12,357,583	8,939,917
Events and lotteries	30,743,288	27,641,138
	<u>45,151,131</u>	<u>38,007,647</u>
Cash paid for:		
Operating expenses	(6,190,651)	(4,723,982)
Events and lotteries	(18,268,898)	(16,817,294)
Charitable disbursements	(17,138,897)	(12,366,617)
	<u>(41,598,446)</u>	<u>(33,907,893)</u>
Cash provided by operating transactions	<u>3,552,685</u>	<u>4,099,754</u>
Investing transactions		
Investment income	4,630,210	4,604,579
Investments purchased, net	(5,132,940)	(22,090,294)
Cash used in investing transactions	<u>(502,730)</u>	<u>(17,485,715)</u>
Net increase (decrease) in cash	3,049,955	(13,385,961)
Cash beginning of year	<u>70,814,836</u>	<u>84,200,797</u>
Cash end of year	<u>73,864,791</u>	<u>70,814,836</u>

See accompanying notes

Calgary Health Trust

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

1. NATURE OF ORGANIZATION

Calgary Health Trust (CHT) is a not-for-profit organization and a registered charity established under the *Income Tax Act* (Canada). It is a controlled entity of Alberta Health Services and subject to the provisions of the *Regional Health Authorities Act Foundations Regulation*.

The primary purpose of CHT is to coordinate fundraising efforts for the benefit of health programs and other health initiatives within the Calgary area. CHT also invests and manages designated endowment funds.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Canadian Public Sector Accounting Standards (“PSAS”), which sets out generally accepted accounting principles for government not-for-profit organizations in Canada. CHT has chosen to use the standards for government not-for-profit organizations that include PSAS 4200 to 4270. The financial statements have been prepared based on the significant accounting policies summarized below:

a) Fund accounting

For financial reporting purposes, the accounts of CHT have been classified into the following funds:

(i) *Operating Fund*

The Operating Fund accounts for the operating activities of CHT.

(ii) *Restricted Fund*

The Restricted Fund accounts for donations and grants that are donor-designated for specified programs, sites and organizations. All funds held in the Restricted Fund are available to be disbursed for the designated charitable purpose.

(iii) *Endowment Fund*

The Endowment Fund accounts for donations and investment income that are to be held permanently by CHT as directed by donors or the Board of Trustees.

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

b) Cash

Cash includes cash on hand. Cash held for investing activities by fund managers is included in investments.

c) Financial instruments

Investments have been categorized as fair value and are recorded at market value. CHT's investments are held in investment pooled funds that are professionally managed and index funds in accordance with CHT's investment policies.

Transaction costs are recognized in the statement of operations in the period during which they are incurred.

Other financial instruments, including accounts receivable, accounts payable and accrued liabilities and charitable disbursements payable, are initially recorded at fair value and are subsequently measured at cost, net of any provisions for impairment.

CHT measures the fair market value of its financial assets based on their classification in a hierarchy comprising three levels, described as follows:

1. Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets;
2. Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets, other than Level 1 prices, such as quoted interest or currency exchange rates; and
3. Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Other assets

Other assets consist of costs related to future fundraising events and lotteries. These costs are expensed when the fundraising events and lotteries are held. Other assets also consist of the cash surrender value of life insurance policies. The annual premiums are paid by donors. As the realizable amount of such policies in excess of the cash surrender value is not certain, CHT records the benefits in excess of the cash surrender value when the proceeds are known.

e) Deferred revenue

Revenue related to lotteries for which prize draws take place after March 31, and fundraising events that will take place subsequent to the year-end are deferred. Deferred revenue will be recognized when the fundraising events and lotteries are held.

f) Revenue recognition

CHT follows the restricted fund method of accounting for contributions. Grants, bequests and other donations are recorded when received or receivable, if the amounts to be received can be reasonably estimated and collection is reasonably assured. Pledged donations are recorded in the year received, since pledges are not legally enforceable claims. Externally restricted contributions, except endowment contributions, are recognized as revenue of the Restricted Fund when received. Unrestricted contributions are recognized as revenue of the Operating Fund when received. Externally restricted endowment contributions are recognized as revenue of the Endowment Fund when received. Generally, 5% of restricted donations are allocated to the Operating Fund to assist with the operational costs of CHT.

Investment income includes dividend and interest income, income distributions from pooled funds and realized gains or losses arising from the sale of investments. Unrealized gains and losses on investments are recognized in the statement of accumulated remeasurement gains and losses until the related investments are sold. Once realized, these gains or losses are recognized in the statement of operations. 1% of the Endowment Fund balance is recognized as investment income earned in the Operating Fund for administration fees, and amounts that are available for disbursement allocation are recognized as revenue of the Restricted Fund. Unrestricted investment income earned on internally restricted Endowment Fund resources is recognized as revenue of the Operating Fund. Investment income that has been reinvested is recognized as revenue of the Endowment Fund. Unrestricted investment income earned on Endowment Fund, Restricted Fund and Operating Fund resources is recognized as revenue of the Operating Fund.

g) Contributed materials and services

Volunteers contribute a significant amount of time each year to assist CHT in carrying out its activities; however, the value of volunteer time is not recognized in these financial statements because the fair market value cannot be reasonably determined. Donated supplies and gifts-in-kind are valued based on fair market value when it is reasonably determinable.

Calgary Health Trust

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

3. CASH

	<u>2020</u>	<u>2019</u>
	\$	\$
Operating Fund	6,483,892	6,387,493
Restricted Fund	67,380,899	63,893,237
Endowment Fund	-	534,106
	<u>73,864,791</u>	<u>70,814,836</u>

Cash held in the Restricted Fund includes lottery proceeds from previous lotteries, lottery ticket sales from the current Foothills Hospital Home lottery, and funds awaiting disbursement. CHT has received permission from Alberta Gaming, Liquor and Cannabis to defer disbursement of \$22.6 million for projects that will not be completed before 2020 (2019- \$22.6 million). The amount of cash associated with lotteries in progress is \$9.3 million (2019 - \$9.6 million). In addition, CHT holds \$22.6 million (2019 - \$23.1 million) in high interest (2020 – 1.44 %; 2019 – 1.90%) accounts pending investment in accordance with CHT’s investment policies.

4. ACCOUNTS RECEIVABLE

	<u>2020</u>	<u>2019</u>
	\$	\$
Events & Lotteries	533,688	688,408
GST	207,769	217,345
Other	-	650
	<u>741,457</u>	<u>906,403</u>

5. PREPAID EXPENSES

	<u>2020</u>	<u>2019</u>
	\$	\$
Lottery prizes and expenses	537,004	337,634
Prepaid contracts	231,901	225,516
	<u>768,905</u>	<u>563,150</u>

Calgary Health Trust

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

6. FINANCIAL INSTRUMENTS

CHT's portfolio investments consist of the following categories:

	Market Value	
	2020 \$	2019 \$
Level 1		
Cash & Cash Equivalents	848,616	21,333
Core Canadian Short Term Bond Index	10,055,278	9,379,314
S&P/TSX 60 Index	8,454,110	9,456,224
Total Level 1	19,358,004	18,856,871
Level 2		
Jarislowsky Fraser Bond Pooled Fund	9,007,570	7,615,379
Jarislowsky Fraser Canadian Equity Fund	13,210,120	17,386,348
Jarislowsky Fraser Global Equity Fund	32,877,416	32,095,975
Total Level 2	55,095,106	57,097,702
Total Portfolio Investments	74,453,110	75,954,573

The asset allocation of the Level 2 funds as at March 31, 2020 is as follows: Short-term 3.8% (2019 - 3.2%); bonds 37.9% (2019 - 31.8%); Canadian equities 35.4% (2019 - 43.1%); and non-Canadian equities 22.9% (2019 - 21.9%). During 2020, Level 1 and Level 2 investment returns were a loss of - 4.2% (2019 - 2.9%) and - 4.5% (2019 - 7.2%), respectively.

There were no transfers of assets between Level 1, Level 2 and Level 3.

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

6. FINANCIAL INSTRUMENTS (CONTINUED)

During the year, donations of securities received by CHT were liquidated and the net proceeds were disbursed for charitable purposes or reinvested in professionally managed pooled funds or exchange traded funds.

Within the pooled funds, treasury bills, commercial paper, bankers' acceptances, and discount notes mature between six days and one year and bear interest at an average effective yield to maturity of 0.88% (2019 – 1.52%).

Publicly traded fixed income instruments in the funds are managed with the objective of providing optimal returns while maintaining maximum security of capital. Return is optimized within risk constraints through the management of duration and issuer mix. The bonds held within the bond fund bear interest at an average effective yield to maturity of 2.20% (2019 – 2.42%).

Equity investments in the funds are managed with the objective of providing a diversified approach towards obtaining risk-adjusted returns through complete business cycles. Diversification is achieved through investing across an assortment of countries and sectors. The equity funds offer growth and, being long-term in nature, are ideal for protecting CHT's investment capital from the effects of inflation.

Foreign securities are translated into Canadian dollars at the exchange rate in effect on the last day of the fiscal year.

Foreign currency risk

CHT is exposed to foreign currency risk from possible negative fluctuations in foreign currency rates related to investments in foreign securities.

Interest rate risk

CHT is exposed to interest rate risk from holding securities with a fixed rate of interest and a specified maturity date.

Credit risk

CHT is exposed to credit risk in connection with its short-term and fixed income investments, because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation.

Liquidity risk

CHT is exposed to liquidity risk in that it could encounter difficulty in meeting obligations associated with its financial liabilities.

Other price risk

CHT is exposed to other price risk through changes in market prices, other than changes arising from interest rate risk or foreign currency risks, in connection with its investments in equity securities and pooled funds.

Calgary Health Trust

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

6. FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency, credit risk and interest rate risk are managed in accordance with CHT's investment policies and through the use of professional portfolio managers whose performance is reviewed regularly. Liquidity risk is managed by maintaining significant cash balances in excess of current obligations. Other price risk is managed by investing in funds professionally managed with significant diversification.

7. ENDOWMENTS

Endowment net assets represent resources that are required by the donor or the Board of Trustees to be maintained by CHT on a permanent basis.

Endowment net assets consist of the following:

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
Externally restricted	23,371,790	22,590,388
Internally restricted by the Board of Trustees	8,657,573	8,315,446
Balance, end of year, before accumulated remeasurement (losses) gains	32,029,363	30,905,834
Accumulated remeasurement (losses) gains	(3,186,430)	38,822
Balance, end of year	28,842,933	30,944,656

CHT has a policy designed to protect the real value of endowments by limiting the amount of investment income made available for spending in the following year to the lower of the investment income earned or 5% of the ending endowment balance as at March 31. Endowment Funds incur a 1% administration fee on the portfolio investment fund balance related to endowments, which is recorded in the Operating Fund. The balance remaining is reinvested, as are any funds not disbursed within the time frame allocated for spending. Reinvested investment income is recorded in the Endowment Fund.

In fiscal 2020, investment income on externally restricted endowment net assets was \$1,033,507 (2019 - \$1,287,088) and was recorded as revenue in the statement of operations. The amount of \$224,952 (2019 - \$1,060,075) was made available for spending and recorded in the Restricted Fund, and \$603,414 (2019 - nil) was reinvested into the Endowment Fund (*note 8*).

In fiscal 2020, investment income on internally restricted endowment net assets was \$382,366 (2019 - \$467,572) and was recorded as revenue in the statement of operations. There were no inter-fund transfers (2019 - \$377,477) to the Restricted Fund, representing the investment income made available for spending, and \$302,806 was inter-fund transferred to the Endowment Fund (2019 - nil) representing the amount reinvested.

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

8. INVESTMENT INCOME ALLOCATION

Investment Income Allocation 2020

\$

	Investment Income ¹	Internally Restricted Endowments	Restricted Income Allocation ²	Restricted Disbursement Allocation	Administration Fee	Total
Operating Fund	318,719	302,806	1,594,993	-	330,623	2,547,141
Restricted Fund	2,895,618	-	(1,594,993)	224,952	(45,922)	1,479,655
Endowment Fund (<i>note 7</i>)	1,415,873	(302,806)	-	(224,952)	(284,701)	603,414
	4,630,210	-	-	-	-	4,630,210

Investment Income Allocation 2019

\$

	Investment Income ¹	Internally Restricted Endowments	Restricted Income Allocation ²	Restricted Disbursement Allocation	Administration Fee	Total
Operating Fund	286,482	377,477	1,462,378	-	372,567	2,498,904
Restricted Fund	2,563,437	-	(1,462,378)	1,060,075	(55,459)	2,105,675
Endowment Fund (<i>note 7</i>)	1,754,660	(377,477)	-	(1,060,075)	(317,108)	-
	4,604,579	-	-	-	-	4,604,579

¹ Investment income in the year consists of interest and dividends of \$2,102,396 (2019 - \$1,867,758) and realized gains of \$1,077,505 (2019 - \$1,641,738), that were earned on the portfolio investments and \$1,450,309 (2019 - \$1,095,083) of interest earned on cash.

² Investment income earned on restricted investments that do not have an investment income allocation agreement is recognized in the Operating Fund.

Calgary Health Trust

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

8. INVESTMENT INCOME ALLOCATION (CONTINUED)

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
Realized Investment Income	4,630,210	4,604,579
Unrealized Investment Income (Loss)	(6,634,404)	878,429
Total Investment Income	(2,004,194)	5,483,008

9. COMMITMENTS

As at March 31, 2020, CHT had committed to purchasing prizes for the 2020 Foothills Hospital Home Lottery and Hospital Home Lottery totaling \$6.2 million (2019-\$6.4 million) and \$3.2 million (2019 -\$3.4 million), respectively. These lotteries will be completed in fiscal 2021.

Calgary Health Trust

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

10. RELATED PARTY TRANSACTIONS

The following amounts related to Alberta Health Services are included in the accompanying financial statements. As at March 31, 2020, there are accounts payable and accrued liabilities and charitable disbursements payable to Alberta Health Services totalling \$1,555,746 and \$8,018,399 (2019 - \$637,031 and \$3,998,461), respectively.

a)

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
Grants received from Alberta Health Services for operating expenses		
- Cash – Operating costs	2,035,000	1,426,592
- Gifts-in-kind - Operating costs	-	573,408
- Gifts-in-kind - Rent	381,464	372,565
Total grants received	2,416,464	2,372,565
Charitable disbursements to Alberta Health Services		
- Cash	18,080,927	9,287,778
- Gifts-in-kind	172,803	256,167
Total charitable disbursements	18,253,730	9,543,945

b) Board of Trustees

In fiscal 2020 CHT purchased two homes totalling \$5.2 million (2019 - \$5.0 million) which were awarded as prizes in the Foothills Hospital Home Lottery and Hospital Home Lottery programs. A senior executive of the company from where the homes were purchased is a member of CHT's Board of Trustees.

Calgary Health Trust

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

11. OPERATING EXPENSES

Operating and restricted expenses of CHT consist of the following:

	Operating	Restricted	2020	2019
	\$	\$	\$	\$
Fundraising and donor stewardship	4,307,578	600,111	4,907,689	4,573,421
Organizational and volunteer support	552,779	-	552,779	501,862
Marketing and communications	437,880	-	437,880	313,232
Investment management and custodial fees	230,262	-	230,262	196,682
	5,528,499	600,111	6,128,610	5,585,197

12. INTER-FUND TRANSFERS

Inter-fund transfers consist of reallocations requested by the contributors and approved by the Board in accordance with the approved policy. These transfers include allocations to the Endowment Fund from Restricted Funds for donors advising as to how funds are to be reinvested, from the Operating Fund for internally restricted reinvestments into the Endowment Fund and an annual allocation of lottery proceeds to the Endowment Fund.