

Financial Statements of

**ROYAL ALEXANDRA
HOSPITAL FOUNDATION**

And Independent Auditors' Report thereon

Year ended March 31, 2022



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INDEPENDENT AUDITORS' REPORT

To the Members of Royal Alexandra Hospital Foundation

Opinion

We have audited the financial statements of Royal Alexandra Hospital Foundation (“the Entity”), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- notes to the financial statements, including a summary of significant accounting policies
- and the schedule of fund balances for the year then ended

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

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

Basis for Opinion

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

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

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

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors’ report thereon, included in a document likely to be entitled the 2021-2022 Annual Report.



Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

The information, other than the financial statements and auditors' report thereon, included in a document likely to be entitled 2021-2022 Annual Report is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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



We also:

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

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

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

KPMG LLP

Chartered Professional Accountants

Edmonton, Canada

June 20, 2022

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Financial Statements

Year ended March 31, 2022

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ROYAL ALEXANDRA HOSPITAL FOUNDATION

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash (note 2)	\$ 12,046,940	\$ 13,361,886
Accounts receivable	455,642	769,875
Prepaid expenses and deposits	1,636,111	1,585,405
	<u>14,138,693</u>	<u>15,717,166</u>
Portfolio investments (note 3)	41,200,603	40,953,056
Land held for resale	14,500	14,500
	<u>\$ 55,353,796</u>	<u>\$ 56,684,722</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 5,051,752	\$ 4,883,375
Deferred revenue	4,114,764	5,039,061
	<u>9,166,516</u>	<u>9,922,436</u>
Fund balances:		
Endowment funds	24,423,422	24,179,028
Externally restricted funds	19,471,656	19,139,537
Internally restricted funds	1,417,056	2,641,044
Unrestricted funds	875,146	802,677
	<u>46,187,280</u>	<u>46,762,286</u>
Commitments and pledges (note 9)		
	<u>\$ 55,353,796</u>	<u>\$ 56,684,722</u>

See accompanying notes to financial statements.

On behalf of the Board:



Chair, Board of Directors



Chair, Finance, Audit and Risk Management
Committee

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2022, with comparative information for 2021

	Endowment funds	Externally restricted funds	Internally restricted funds	Unrestricted funds	2022 Total	2021 Total
Revenues:						
Charitable gaming (note 5)	\$ -	\$ 12,441,967	\$ -	\$ -	\$ 12,441,967	\$ 11,670,600
Fundraising	161,998	6,299,051	-	832,761	7,293,810	5,421,106
Realized investment income (note 6)	77,790	1,304,387	-	2,200,536	3,582,713	3,867,104
Other amounts (note 7)	-	-	-	(93,514)	(93,514)	1,322,109
	239,788	20,045,405	-	2,939,783	23,224,976	22,280,919
Expenditures:						
Charitable gaming (note 5)	-	6,405,019	-	357,259	6,762,278	6,245,536
Administrative	-	-	-	1,211,368	1,211,368	2,384,231
Fundraising	-	682,975	-	2,481,212	3,164,187	2,333,105
	-	7,087,994	-	4,049,839	11,137,833	10,962,872
Excess (deficiency) of revenue over expenditures before the undernoted	239,788	12,957,411	-	(1,110,056)	12,087,143	11,318,047
Unrealized investment (loss) gains (note 6)	-	-	-	(1,540,961)	(1,540,961)	5,894,619
Distributions (note 8)	-	(10,679,086)	-	(442,102)	(11,121,188)	(8,849,360)
Excess (deficiency) of revenue over expenditures	239,788	2,278,325	-	(3,093,119)	(575,006)	8,363,306
Transfers authorized by the Board of Directors and donors	4,606	(1,946,206)	(1,223,988)	3,165,588	-	-
Fund balances, beginning of year	24,179,028	19,139,537	2,641,044	802,677	46,762,286	38,398,980
Fund balances, end of year	\$ 24,423,422	\$ 19,471,656	\$ 1,417,056	\$ 875,146	\$ 46,187,280	\$ 46,762,286

See accompanying notes to financial statements.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
(Deficiency) excess of revenue over expenditures	\$ (575,006)	\$ 8,363,306
Items not involving cash:		
Realized gains on portfolio investments	(846,640)	(2,280,156)
Unrealized losses (gains) on portfolio investments	1,540,961	(5,894,619)
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	314,233	(600,358)
Decrease in advances receivable	-	262,364
(Increase) decrease in prepaid expenses and deposits	(50,706)	800,180
Increase in accounts payable and accrued liabilities	168,377	1,847,370
(Decrease) increase in deferred revenue	(924,297)	1,683,876
	(373,078)	4,181,963
Investments:		
Purchases of portfolio investments, net of proceeds	(941,868)	258,303
	(941,868)	258,303
(Decrease) increase in cash position	(1,314,946)	4,440,266
Cash, beginning of year	13,361,886	8,921,620
Cash, end of year	\$ 12,046,940	\$ 13,361,886
Cash consists of:		
Unrestricted	\$ 559,724	\$ 1,956,858
Restricted (note 2)	11,487,216	11,405,028
	\$ 12,046,940	\$ 13,361,886

See accompanying notes to financial statements.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended March 31, 2022

Royal Alexandra Hospital Foundation (the "Foundation") is a non-profit company incorporated under Part 9 of the *Companies Act*, Chapter C-21, Revised Statutes of Alberta 2000, and is exempt from the limitations found in Part 4 of the *Hospitals Act*, Chapter H: 12, Revised Statutes of Alberta 2000 pursuant to Ministerial Order #50/86. The Foundation is a registered public charity under the Income Tax Act (Canada) and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The Royal Alexandra Hospital Foundation inspires charitable and philanthropic support for the Royal Alexandra Hospital (the "Hospital") and its medical centres of excellence, such as the Lois Hole Hospital for Women, CK Hui Heart Centre, Eye Institute of Alberta and Orthopedic Surgery Centre, among others. In doing so, the Foundation improves the health of Albertans - more than a million patients and their families who come to the Hospital, each year, for treatment and compassionate care.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook. The Foundation's significant accounting policies are as follows:

(a) Fund accounting:

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

Endowment funds - consists of donations and investment income for which the principal is permanently restricted.

Externally restricted funds - consists of funds, including the Foundation's share of the excess of revenues over expenditures of charitable gaming, upon which restrictions have been imposed by third parties. These funds include both unsolicited and solicited donations.

Internally restricted funds - consists of funds upon which restrictions have been imposed by the Board. These funds represent donations and income that were initially unrestricted but upon which the Board has placed restrictions for a specific priority program at the Hospital.

Unrestricted funds - consists of donations and investment income upon which no restrictions have been imposed by the donors or the Board. These funds are managed in accordance with general board policies and may be internally restricted through Board motion.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(b) Full House and Win Win Staff Lotteries:

The Foundation accounts for its interest in the Full House and the Win Win Staff Lotteries using the proportionate consolidation method.

(c) Cash:

Cash includes cash on hand. Cash held for investing purposes is included as part of portfolio investments.

(d) 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 measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry all its portfolio investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Revenue recognition:

The Foundation follows the restricted fund method of accounting for contributions as follows:

- (i) Restricted contributions are recognized as revenue of the externally restricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(e) Revenue recognition (continued):

- (ii) Unrestricted contributions are recognized as revenue of the unrestricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- (iii) Contributions for endowments are recognized as revenue in the endowment fund.
- (iv) Pledges are recognized as revenue in the year when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- (v) Investment income earned on endowment fund resources that must be used in accordance with the condition imposed by the donor is recognized as revenue of the externally restricted fund. Investment income earned on endowment fund resources that must be permanently restricted is recognized as revenue of the endowment fund. Other investment income is recognized as revenue of the externally restricted and unrestricted funds when earned.

Revenue from lotteries is recognized upon completion of the lottery.

Government assistance is recognized as revenue when received or receivable. When government assistance relates to future expenses, the Foundation recognizes revenue in the year in which the related expenses are incurred.

(f) Contributed materials and services:

Contributed materials and services are recorded at fair value when they would have otherwise been purchased and when a fair value can be reasonably estimated. Contributed services of volunteers are not recognized in these financial statements as their fair value cannot be reasonably determined.

(g) Allocation of fundraising and general administration expenses:

The Foundation classifies expenses on the Statement of Operations by activity. The Foundation supports the Hospital through distributions of cash and human resources. Salary costs are allocated to certain funds based on actual hours incurred directly supporting the Hospital.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(h) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance and occur in the normal course of business are measured at the exchange amount being the amount of consideration agreed upon by the relevant parties. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount. All other related party transactions are measured at the carrying amount.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Restricted cash:

Restricted cash includes amounts related to the Full House Lottery, Win Win Staff Lottery and other charitable gaming activities.

3. Portfolio investments:

	2022	2021
Fixed income:		
Mortgage funds	\$ 6,151,464	\$ 6,117,902
Bond funds	5,757,432	5,557,299
Short term deposits	39,296	35,229
Equities:		
Canadian equity funds	9,739,789	9,649,741
Global equity funds	17,604,468	17,395,899
Emerging markets funds	1,807,496	2,098,145
Cash held for investing purposes	100,658	98,841
	<u>\$ 41,200,603</u>	<u>\$ 40,953,056</u>

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities is government remittances payable of \$63,482 (2021 - accounts receivable of \$9,562), which includes amounts payable for payroll related taxes.

5. Charitable gaming:

	2022	2021
Revenues:		
Full House Lottery	\$ 8,931,301	\$ 8,221,198
Win Win Staff Lottery	3,470,090	3,418,318
Charitable gaming interest revenue	40,576	31,084
	<u>12,441,967</u>	<u>11,670,600</u>
Expenditures:		
Full House Lottery	5,275,725	4,968,545
Win Win Staff Lottery	1,127,732	1,015,670
Charitable gaming administrative expenditures	358,821	261,321
	<u>6,762,278</u>	<u>6,245,536</u>
Excess of revenues over expenditures	<u>\$ 5,679,689</u>	<u>\$ 5,425,064</u>

a) Full House Lottery joint venture:

The financial statements include the Foundation's proportionate share (50%) of the Full House Lottery as follows:

	2022	2021
Assets:		
Cash	\$ 1,599,295	\$ 2,212,347
Accounts receivable	91,216	81,844
Prepaid expenses and deposits*	1,437,894	1,417,178
	<u>\$ 3,128,405</u>	<u>\$ 3,711,369</u>
Liabilities and Net Deficiency:		
Accounts payable and accrued liabilities	\$ 987,865	\$ 221,318
Deferred revenue **	3,417,242	4,699,612
	<u>4,405,107</u>	<u>4,920,930</u>
Net deficiency	(1,276,702)	(1,209,561)
	<u>\$ 3,128,405</u>	<u>\$ 3,711,369</u>

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

5. Charitable gaming (continued):

a) Full House Lottery joint venture (continued):

	2022	2021
Revenues	\$ 8,931,301	\$ 8,221,198
Expenditures:		
2022 draw date	1,281,240	-
2021 draw date	3,994,485	1,228,283
2020 draw date	-	3,740,262
	<u>5,275,725</u>	<u>4,968,545</u>
Partner proceeds	3,722,717	3,189,173
Excess of revenues over expenditures and distributions	<u>\$ (67,141)</u>	<u>\$ 63,480</u>
Cash from operating activities	\$ 1,579,100	\$ 2,155,258

* Prepaid expenses and deposits include lottery prizes that will be awarded subsequent to the draw date of June 30, 2022 (2021 - June 30, 2021).

** Lottery revenues are deferred until the draw date of June 30, 2022 (2021 - June 30, 2021).

Results of the draws are as follows:

	2022 draw date	2021 draw date	2020 draw date
Revenues	Underway as of	\$ 8,931,301	\$ 8,221,198
Expenditures	March 31, 2022	5,222,768	5,045,932
Excess of revenue over expenditures		<u>\$ 3,708,533</u>	<u>\$ 3,175,266</u>

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

5. Charitable gaming (continued):

b) Win Win Staff Lottery:

The financial statements include the Foundation's proportionate share (50%) of the Win Win Staff Lottery as follows:

	2022	2021
Assets:		
Cash	\$ 700,536	\$ 558,120
Accounts receivable	18,328	24,646
Prepaid expenses and deposits	39,424	-
	<u>\$ 758,288</u>	<u>\$ 582,766</u>
Liabilities and Net Assets:		
Accounts payable and accrued liabilities	\$ 62,244	\$ 421
Deferred revenue	547,535	253,048
	<u>609,779</u>	<u>253,469</u>
Net assets	148,509	329,297
	<u>\$ 758,288</u>	<u>\$ 582,766</u>
Revenues	\$ 3,470,090	\$ 3,418,318
Expenditures	1,127,732	1,015,670
Distributions	2,523,146	2,309,494
(Deficiency) excess of revenues over expenditures and distributions	<u>\$ (180,788)</u>	<u>\$ 93,154</u>
Cash from operating activities	\$ 140,337	\$ 210,352

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

6. Investment income:

	Endowment funds	Externally restricted funds	Unrestricted funds	2022 Total	2021 Total
Realized:					
Dividends	\$ 58,960	\$ 988,645	\$ 1,667,871	\$ 2,715,476	\$ 1,513,659
Interest	447	7,499	12,651	20,597	73,289
Realized gains	18,383	308,243	520,014	846,640	2,280,156
	77,790	1,304,387	2,200,536	3,582,713	3,867,104
Unrealized investment (loss) gains	-	-	(1,540,961)	(1,540,961)	5,894,619
	\$ 77,790	\$ 1,304,387	\$ 659,575	\$ 2,041,752	\$ 9,761,723

7. Other amounts:

	2022	2021
Gain on sale of other assets	\$ -	\$ 924,620
Canada Emergency Wage Subsidy, net of amounts returned	(133,644)	397,489
Other administrative revenue	40,130	-
	\$ (93,514)	\$ 1,322,109

8. Distributions:

During the year, the Foundation made the following distributions:

	2022	2021
Alberta Health Services	\$ 3,914,930	\$ 4,695,433
University of Alberta	2,059,495	1,496,975
Other charitable organizations*	5,146,763	2,656,952
Balance, end of year	\$ 11,121,188	\$ 8,849,360

*Included within distributions to other charitable organizations are \$2,523,146 (2021 - \$2,309,494) to the other foundations that participate in the Win Win Staff Lottery.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

9. Commitments and pledges:

Commitments

Approved funding commitments of \$20,254,506 (2021 - \$23,020,938) will be carried forward as follows:

2023	\$	11,428,792
2024		2,997,618
Thereafter		5,828,096

Pledges

The Foundation has received pledges of \$715,980 (2021 - \$1,571,500) from donors. The amounts pledged are expected by the Foundation as follows:

2023	\$	489,980
2024		137,000
Thereafter		89,000

10. Local Authorities Pension Plan:

Employees of the Foundation participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Public Sector Pension Plans Act. LAPP is financed by employer and employee contributions and by investment earnings of the LAPP fund. The Foundation is required to make current services contributions to LAPP of 9.39% of eligible pensionable earnings up to the year's maximum pension earnings and 13.84% on pensionable earnings above this amount. Employees of the Foundation are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable salary and 12.84% on pensionable salary above this amount. Contributions for current service are recorded as expenses in the year in which they become due.

Total contributions by the Foundation to LAPP in 2021 were \$227,479. Total contributions by the employees of the Foundation to LAPP in 2021 were \$209,537. At December 31, 2021, LAPP reported the value of its assets at \$61.7 billion and disclosed an actuarial surplus of \$11.9 billion.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

11. Related party transactions:

Board members are volunteers who are affiliated with employers, partnerships and companies through pre-existing relationships. The Foundation may transact with these entities as service providers or donors through the normal course of operations. The Foundation has a conflict of interest process whereby these types of relationships are identified and communicated internally.

The Foundation provides donations of money and gifts in kind to Alberta Health Services (AHS) on behalf of the Hospital. These donations allow AHS to provide patient services, education, equipment and research not funded from other sources on behalf of the Hospital. The cash donations are included in distributions on the Statement of Operations and Changes in Fund Balances.

Accommodation, furnishings and certain other overhead costs incurred in the administration of the Foundation provided by AHS are not reasonably estimable and consequently are not reflected in these financial statements.

At year end, accounts receivable includes \$48,067 (2021 – accounts payable and accrued liabilities include \$19,572) with AHS for certain salaries and services paid by AHS on the Foundation's behalf. The Foundation's personnel are directly paid by AHS. All salary and benefit costs are charged to the Foundation. In the current year, the Foundation provided reimbursements to AHS for salaries and benefits of \$2,996,575 (2021 - \$2,402,073).

During the year, the Foundation made distributions of \$3,914,930 (2021 - \$4,695,433) to AHS on behalf of the Hospital (note 8).

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

12. Financial risks:

Income and financial returns on investments are exposed to credit and price risk. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Price risk is comprised of interest rate, foreign exchange and market risk. Interest rate risk relates to the possibility that investments will change in value due to fluctuations in interest rates. Market and foreign exchange risk relate to the possibility that investments will change in value due to future fluctuations in market prices and foreign exchange rates.

These risks are managed by the Foundation's investment policies, which prescribe the investment asset mix including the degree of liquidity and concentration and the amount of foreign content.

Changes in interest rates and credit ratings are the main cause of changes in the fair value of government securities and corporate bonds resulting in a favourable or unfavourable variance compared to book value. Credit risk is mitigated by investing in government securities and corporate bonds with a rating of A or better and diversifying the securities between government, government backed and corporate issuers. Interest rate risk is mitigated by managing maturity dates and payment frequency. The Foundation limits credit risk associated with other financial assets by dealing with counterparties that it believes are creditworthy. The fair value of equities is impacted by price risk.

While COVID-19 continued to have an impact on the economy throughout fiscal 2022, the Foundation has continued to operate with relatively minimal disruption and continues to monitor potential adverse changes in operating results and cash flows.

The Foundation does not use derivative financial instruments to alter the effects of market interest or foreign exchange fluctuations, which affect these investments.

13. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Schedule of Fund Balances

Year ended March 31, 2022

Name of Funds	Current year		Fund balances, end of year				
	Investment income	Distributions	Endowment	Externally Restricted	Internally Restricted	Unrestricted	Total
CK Hui Heart Centre / Cardiology							
Bruce and Cindy McPherson Fund for Cardiology	\$ -	\$ 48,867	\$ -	\$ 308,137	\$ -	\$ -	\$ 308,137
Cardiology Innovation	122,411	-	2,241,962	514,633	-	-	2,756,595
CK Hui Cardiology	-	143,250	-	1,984,845	-	-	1,984,845
The Hui Family Endowment for Cardiology Research and Innovation	60,107	-	1,114,746	226,666	-	-	1,341,412
William K. Robbins Endowment for Research and Innovation in Cardiology	87,566	20,000	1,614,276	543,684	-	-	2,157,960
Dr. Talibi Innovation Fund	-	-	-	255,321	-	-	255,321
Total CK Hui Heart Centre / Cardiology Funds	270,084	212,117	4,970,984	3,833,286	-	-	8,804,272
General Purpose							
Administration	-	157	-	-	-	-	-
Full House Lottery	-	-	-	(1,273,066)	-	-	(1,273,066)
Gifts in Kind	-	-	-	21,681	-	-	21,681
Steve Ozipko Priority Equipment	24,706	9,996	-	468,870	-	-	468,870
Priority Equipment	-	68,568	-	-	-	52,260	52,260
Priority Needs/General Fund	-	92	-	-	-	889,461	889,461
Program Delivery	-	208,081	-	-	-	-	-
RAH Foundation Fund	659,577	-	-	-	1,417,056	(514,041)	903,015
Win Win Staff Lottery	-	2,523,146	-	138,755	-	-	138,755
Total General Purpose Funds	684,283	2,810,040	-	(643,760)	1,417,056	427,680	1,200,976
Lois Hole Hospital for Women/ Women's Health							
7th Operating Room LHHW	-	290,323	-	1,659,965	-	-	1,659,965
Alberta Women's Health Foundation	-	-	-	34,029	-	-	34,029
Allard Hereditary Breast and Ovarian Cancer Clinic	-	25,000	-	634,527	-	-	634,527
Cavarzan Chair in Mature Women's Health Research	177,348	150,000	3,279,847	562,958	-	-	3,842,805
Cecilia Johnstone Endowment for Research and Innovation in the Treatment Cervical Cancer	21,491	30,000	396,944	64,870	-	-	461,814
Dawn and Cam Allard Endowment Fund for Education and Innovation in Urogynecology, Lois Hole Hospital for Women	4,368	-	80,000	38,110	-	-	118,110
Dept. of Obstetrics and Gynecology Residency Program Donation Fund	-	53,022	-	19,518	-	-	19,518
Edmonton Elks Women's Ovarian Cancer Research	42,783	25,000	800,584	71,781	-	-	872,365
Harvest Celebration Lois Hole Hospital for Women	-	13,813	-	-	-	-	-
Indigenous Cultural Partnership - Women's Health	-	-	-	450,000	-	-	450,000
Lois Hole Hospital for Women Mental Health	-	-	-	1,052,502	-	-	1,052,502
Lois Hole Hospital for Women	156,164	1,505,616	2,860,154	424,060	-	-	3,284,214
Lois Hole Hospital for Women Bereavement	-	7,360	-	41,084	-	-	41,084
Lois Hole Hospital for Women Advanced Minimally Invasive Surgery	-	-	-	721,941	-	-	721,941
Lois Hole Hospital for Women Perinatal Interface Camera	-	-	-	1,284,889	-	-	1,284,889
Lois Hole Hospital Women's Society	-	1,893	-	192,724	-	-	192,724
Mary Jo Robbins Endowment for Research and Innovation in Women's Health	58,370	-	1,076,045	380,576	-	-	1,456,621
Pregnancy Pathways	-	129,154	-	-	-	-	-
Sawin and Baldwin Chair in Ovarian Cancer Research	85,024	75,000	1,567,644	292,072	-	-	1,859,716
Dr. Zenon Shewciw Fund for Gynecological Oncology	7,765	-	143,143	19,656	-	-	162,799
Terry Horwitz Fund	-	-	-	53,939	-	-	53,939
Urogynecology Equipment	-	-	-	77,000	-	-	77,000
Total Lois Hole Hospital for Women / Women's Health Funds	553,313	2,306,181	10,204,361	8,076,201	-	-	18,280,562

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Schedule of Fund Balances (continued)

Year ended March 31, 2022

Name of Funds	Current year		Fund balances, end of year				
	Investment income	Distributions	Endowment	Externally Restricted	Internally Restricted	Unrestricted	Total
Prostate Health							
Dr. J.B. Metcalfe Urology Physicians	-	17,500	-	229,571	-	-	229,571
Prostate Health Research and Innovation Fund	59,652	119,430	1,099,694	504,615	-	-	1,604,309
Prostate Health External Restricted	-	1,180,768	-	136,514	-	-	136,514
Urology	-	-	-	2,615	-	-	2,615
Total Men's Health Funds	59,652	1,317,698	1,099,694	873,315	-	-	1,973,009
NICU							
Neonatal Education	-	-	-	7,335	-	-	7,335
NICU Donations	-	21,575	-	190,843	-	-	190,843
Total NICU Funds	-	21,575	-	198,178	-	-	198,178
Ophthalmology							
Dept. of Ophthalmology and Visual Sciences Enhancement Fund	-	71,893	-	3,109	-	-	3,109
Eye Institute of Alberta	-	27,430	-	1,383,464	-	-	1,383,464
Lions Eye Research Endowment	19,175	25,000	352,017	137,880	-	-	489,897
George and Dorothy O'Neill Eye Research	9,325	15,000	170,791	31,570	-	-	202,361
Ophthalmology Research Endowment	181,160	150,000	3,339,691	469,322	-	-	3,809,013
Ophthalmology Equipment	-	-	-	279,079	-	-	279,079
Ophthalmic Surgical Skills Centre	-	-	-	153,778	-	-	153,778
Total Ophthalmology Funds	209,660	289,323	3,862,499	2,458,202	-	-	6,320,701
Orthopedics							
Peter and Mary Prokopiw Endowment	38,671	-	708,265	-	-	-	708,265
Orthopedics	-	74,395	-	198,320	-	-	198,320
Orthopedics Research and Innovation	58,695	83,334	1,075,025	598,840	-	-	1,673,865
Total Orthopedics Funds	97,366	157,729	1,783,290	797,160	-	-	2,580,450
Research and Education							
Critical Care - Education	-	-	-	22,694	-	-	22,694
Dr. K. Macala's Research Fund	-	-	-	19,634	-	-	19,634
Grants Fund	-	12,200	-	4,394	-	-	4,394
Mary Anne Komaran Symposium Endowment	13,650	3,270	250,000	79,960	-	-	329,960
Mary Anne Komaran Professional Development	9,699	-	-	187,331	-	-	187,331
Mary Anne Komaran Social Work Grants Endowment Fund	16,380	-	300,000	105,109	-	-	405,109
Harold and Florence Mosley Nursing Education and Research	1,965	-	-	37,959	-	-	37,959
RAH Medical Staff Society Legacy Fund	-	691	-	267,919	-	-	267,919
Research and Innovation	-	-	-	-	-	19,271	19,271
Respiratory Education	-	-	-	7,059	-	-	7,059
Speaking of Health	-	17,037	-	-	-	79,385	79,385
William Arnold Diagnostic Imaging Education Fund Endowment	1,365	-	25,000	6,554	-	-	31,554
Total Research and Education Funds	43,059	33,198	575,000	738,613	-	98,656	1,412,269

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Schedule of Fund Balances (continued)

Year ended March 31, 2022

Name of Funds	Current year		Fund balances, end of year				
	Investment income	Distributions	Endowment	Externally Restricted	Internally Restricted	Unrestricted	Total
Special Purpose							
Access 24/7 Urgent Mental Health	-	32,469	-	201,052	-	-	201,052
Al Blumer Memorial Fund	80	950	-	1,396	-	-	1,396
COVID-19 Support	-	148,167	-	-	-	348,810	348,810
Diabetes Donation Fund	-	-	-	31,000	-	-	31,000
Edmonton Zone Colorectal Fund	1,800	4,375	-	30,762	-	-	30,762
Dr. C.A. and Lola Berner Endowment Fund for Excellence in Patient Care	1,741	-	32,830	17,719	-	-	50,549
Dr. James Chin Anesthesiology and Surgery Fund	-	1,917	-	22,892	-	-	22,892
Chint Kaur Lali, Boota Singh Lali and Family Endowment Fund	7,079	-	129,652	7,079	-	-	136,731
Cable Family Compassionate Support Endowment Fund IV	65,218	-	903,679	185,134	-	-	1,088,813
Cancer Research and Innovation	-	106,980	-	145,814	-	-	145,814
Children's Mental Health	-	1,570	-	36,146	-	-	36,146
Department of Medicine General	-	-	-	4,501	-	-	4,501
Elderly Care Initiative	-	-	-	59,209	-	-	59,209
Emergency Department	-	119,739	-	213,378	-	-	213,378
Catherine Folinsbee Fund for Pediatric Care	606	-	11,173	1,535	-	-	12,708
Fund for the Advancement of Obesity Care	-	6,024	-	67,660	-	-	67,660
Agnes Moffatt Fraser Patient Comfort Fund	3,476	-	-	67,132	-	-	67,132
Geriatric / Acute Care - Elderly Unit	-	-	-	500	-	-	500
Graduates' Fund of RAH School of Nursing Alumnae	-	-	-	30,146	-	-	30,146
Holmes Endowment	1,638	-	30,000	4,761	-	-	34,761
Chris Hruvey Endowed Fund - In Memory of William Hruvey	2,730	-	50,000	16,435	-	-	66,435
Intensive Care Unit	-	8,501	-	23,599	-	-	23,599
Inner City Health and Wellness	-	38,082	-	410,878	-	-	410,878
Indigenous Global Health RAH Fund	-	189,162	-	-	-	-	-
Mary Anne Komaran Compassionate Care Fund Endowment	39,321	18,472	720,260	144,041	-	-	864,301
Dr. Larry Olhauser Fund	-	-	-	500	-	-	500
Operation Frontline Impact Fund	-	1,992,494	-	246,606	-	-	246,606
RAH Employees' Charitable Donations Fund	-	-	-	57,342	-	-	57,342
RAH Gastroenterology Fund	-	-	-	38,589	-	-	38,589
Patient and Provider Experience Fund	-	367,342	-	716,939	-	-	716,939
Palliative Care	-	-	-	31,227	-	-	31,227
PET CT Diagnostic Imaging	-	937,083	-	284,713	-	-	284,713
Dr. Elizabeth Schwab Fund	570	-	-	11,016	-	-	11,016
Surgery Donation	-	-	-	24,991	-	-	24,991
Surgical Oncology Fund	-	-	-	5,691	-	-	5,691
The Dr. Floria Po-Lai Tsui Endowment Fund	76	-	50,000	76	-	-	50,076
Total Special Purpose Funds	124,335	3,973,327	1,927,594	3,140,459	-	348,810	5,416,863
TOTAL	\$ 2,041,752	\$ 11,121,188	\$ 24,423,422	\$ 19,471,656	\$ 1,417,056	\$ 875,146	\$ 46,187,280