

Financial Statements of

**ROYAL ALEXANDRA
HOSPITAL FOUNDATION**

Year ended March 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements for the year ended March 31, 2021 are the responsibility of management and have been reviewed and approved by senior management. The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organization and of necessity include some amounts that are based on estimates and judgment.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of donations and other revenue;
- safeguard the assets and properties under Royal Alexandra Hospital Foundation's administration.

Royal Alexandra Hospital Foundation carries out its responsibility for the financial statements through its Board of Directors. The Board of Directors meets with management and KPMG LLP to review financial matters, and to approve the financial statements upon finalization of the audit. KPMG LLP has free access to the Board of Directors.

KPMG LLP provides an independent audit of the financial statements. Their examination is conducted in accordance with Canadian Generally Accepted Auditing Standards and includes tests and procedures, which allow them to report on the fairness of the financial statements prepared by



Sharlene Rutherford
President and Chief Executive Officer
Royal Alexandra Hospital Foundation

June 21, 2021



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors 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, 2021
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, 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.

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 21, 2021

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Financial Statements

Year ended March 31, 2021

Financial Statements

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ROYAL ALEXANDRA HOSPITAL FOUNDATION

Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 1,956,858	\$ 1,927,896
Restricted cash (note 2)	11,405,028	6,993,724
Accounts receivable	769,875	169,517
Other assets	1,451,775	2,319,537
Prepaid expenses and deposits	133,630	66,048
	<u>15,717,166</u>	<u>11,476,722</u>
Portfolio investments (note 3)	40,953,056	33,036,584
Land held for resale	14,500	14,500
Advances receivable (note 4)	-	262,364
	<u>\$ 56,684,722</u>	<u>\$ 44,790,170</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (notes 5 and 6)	\$ 4,883,375	\$ 3,036,005
Deferred revenue	5,039,061	3,355,185
	<u>9,922,436</u>	<u>6,391,190</u>
Fund balances: (schedule 2)		
Endowment funds	24,179,028	23,333,786
Externally restricted funds	19,139,537	19,291,485
Internally restricted fund	2,641,044	1,140,707
Unrestricted funds (deficiency)	802,677	(5,366,998)
	<u>46,762,286</u>	<u>38,398,980</u>
Commitments and pledges (note 9)		
	<u>\$ 56,684,722</u>	<u>\$ 44,790,170</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, 2021, with comparative information for 2020

	Endowment funds	Externally restricted funds	Internally restricted fund	Unrestricted funds	2021 Total	2020 Total
Revenues:						
Charitable gaming (note 7)	\$ -	\$ 11,670,600	\$ -	\$ -	\$ 11,670,600	\$ 10,341,894
Fundraising	767,003	3,941,637	-	712,466	5,421,106	5,283,107
Realized investment income (schedule 1)	78,239	1,177,194	-	2,611,671	3,867,104	3,662,740
Other income (note 8)	-	-	-	1,322,109	1,322,109	-
	845,242	16,789,431	-	4,646,246	22,280,919	19,287,741
Expenditures:						
Charitable gaming (note 7)	-	6,245,536	-	-	6,245,536	6,491,407
Administrative	-	325,046	-	2,059,185	2,384,231	1,541,349
Fundraising	-	1,203,673	-	1,129,432	2,333,105	2,322,106
	-	7,774,255	-	3,188,617	10,962,872	10,354,862
Excess of revenue over expenditures before the undernoted	845,242	9,015,176	-	1,457,629	11,318,047	8,932,879
Unrealized gain (loss) (schedule 1)	-	-	-	5,894,619	5,894,619	(6,122,218)
Distributions (note 5 and schedule 2)	-	(8,270,573)	-	(578,787)	(8,849,360)	(7,953,438)
Excess (deficiency) of revenue over expenditures	845,242	744,603	-	6,773,461	8,363,306	(5,142,777)
Transfers authorized by the Board of Directors and donors	-	(896,551)	1,500,337	(603,786)	-	-
Fund balances, beginning of year	23,333,786	19,291,485	1,140,707	(5,366,998)	38,398,980	43,541,757
Fund balances, end of year	\$ 24,179,028	\$ 19,139,537	\$ 2,641,044	\$ 802,677	\$ 46,762,286	\$ 38,398,980

See accompanying notes to financial statements.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenditures	\$ 8,363,306	\$ (5,142,777)
Items not involving cash:		
Realized gains on portfolio investments	(2,280,156)	(322,438)
Unrealized (gains) losses on portfolio investments	(5,894,619)	6,122,218
Provision for doubtful advances receivable	262,364	251,000
Change in non-cash operating working capital:		
(Increase) decrease in accounts receivable	(600,358)	536,706
Decrease (increase) in other assets	867,762	(1,013,157)
(Increase) decrease in prepaid expenses	(67,582)	16,605
Increase in accounts payable and accrued liabilities	1,847,370	1,439,028
Increase (decrease) in deferred revenue	1,683,876	(366,778)
	4,181,963	1,520,407
Investments:		
Disposals (purchases) of portfolio investments, net	258,303	(71,050)
Advances receivable	-	(117,308)
	258,303	(188,358)
Increase in cash	4,440,266	1,332,049
Cash and restricted cash, beginning of year	8,921,620	7,589,571
Cash and restricted cash, end of year	\$ 13,361,886	\$ 8,921,620
Cash position consists of:		
Cash	\$ 1,956,858	\$ 1,927,896
Restricted cash	11,405,028	6,993,724
	\$ 13,361,886	\$ 8,921,620

See accompanying notes to financial statements.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended March 31, 2021

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 fund (RAH Foundation Fund) - 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, 2021

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 and restricted cash:

The Foundation considers deposits in banks, certificates of deposit and short-term investments with original maturities of one year or less as cash. Restricted cash is subject to external restrictions related to proceeds from gaming activities.

(d) 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. Lottery revenues cannot be reasonably estimated until the date of the lottery prize draw.
- (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) 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.
- (v) 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.
- (vi) The Foundation applies for financial assistance under available government programs. Government assistance is recognized as revenue in the year in which the related expenses are incurred.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

1. Significant accounting policies (continued):

(e) 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.

(f) Financial instruments and risk management:

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.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

1. Significant accounting policies (continued):

(g) Allocation of fundraising and general administration expenses:

The Foundation classifies expenses on the Statement of Operations by function. 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.

(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 subject to external restrictions related to the Full House Lottery, Win Win Staff Lottery and other charitable gaming activities.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

3. Portfolio investments:

	2021	2020
Fixed income:		
Pooled mortgage funds	\$ 6,117,902	\$ -
Bond mutual funds	5,557,299	6,700,723
Term deposits	35,229	82,432
Equities:		
Canadian	29,143,785	22,158,085
United States	-	2,485,854
International	-	364,504
Cash and equivalents	98,841	1,244,986
	<u>\$ 40,953,056</u>	<u>\$ 33,036,584</u>

- (a) Term deposits have effective rates of 1.25% to 1.35% (2020 - 2.25%) and mature in less than 1 year (2020 - less than 1 year).
- (b) Publicly traded fixed income instruments are managed with the objective of providing optimal returns while maintaining security of capital. Return is optimized within the risk constraints on the portfolio by management of portfolio duration and issuer mix.
- (c) Equities are comprised of publicly traded equities in Canadian corporations (2020 - Canadian, United States and International corporations).
- (d) Bond mutual funds are comprised of domestic and foreign fixed income securities.

4. Advances receivable:

Advances receivable are non-interest bearing and have no repayment terms.

	2021	2020
Advances receivable	\$ 262,364	\$ 513,364
Provision for doubtful advances receivable	(262,364)	(251,000)
	<u>\$ -</u>	<u>\$ 262,364</u>

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

5. 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 the Hospital. These donations allow the Hospital to provide patient services, education, equipment and research not funded from other sources. 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 the Hospital are not reasonably estimable and consequently are not reflected in these financial statements.

At March 31, 2021, there was \$19,572 receivable (2020 - \$32,585 payable) from Alberta Health Services ("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 fiscal 2021, salaries and benefits reimbursed by the Foundation to AHS were \$2,402,073 (2020 - \$2,656,341).

In fiscal 2021, the Foundation reimbursed AHS for procured services and other administrative expenses on behalf of the Foundation of \$nil (2020 - \$37,427).

During the year ended March 31, 2021, the Foundation distributed \$8,849,360 (2020 - \$7,953,438) to Alberta Health Services, the University of Alberta and other charitable organizations. Included within distributions are \$2,309,494 (2020 - \$2,085,667) to the foundations that participate in the Win Win Staff Lottery.

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities is government remittances payable of \$nil (2020 - \$54,432), which includes amounts receivable for payroll related taxes.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

7. Charitable gaming:

	2021	2020
Revenues:		
Full House Lottery	\$ 8,221,198	\$ 7,198,960
Win Win Staff Lottery	3,418,318	3,048,419
Casino	-	74,291
Charitable gaming interest revenue	31,084	20,224
	<u>11,670,600</u>	<u>10,341,894</u>
Expenditures:		
Full House Lottery	4,968,545	5,169,886
Win Win Staff Lottery	1,015,670	941,109
Charitable gaming administrative expenditures	261,321	380,412
	<u>6,245,536</u>	<u>6,491,407</u>
Excess of revenue over expenditures	<u>\$ 5,425,064</u>	<u>\$ 3,850,487</u>

a) Full House Lottery:

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

	2021	2020
Assets:		
Restricted cash	\$ 2,212,347	\$ 658,189
Accounts receivable	81,844	110,020
Other assets*	1,417,178	1,733,417
	<u>\$ 3,711,369</u>	<u>\$ 2,501,626</u>
Liabilities and Net Deficiency:		
Accounts payable and accrued liabilities	\$ 221,318	\$ 543,452
Deferred revenue **	4,699,612	3,231,215
	<u>4,920,930</u>	<u>3,774,667</u>
Net deficiency	(1,209,561)	(1,273,041)
	<u>\$ 3,711,369</u>	<u>\$ 2,501,626</u>

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

7. Charitable gaming (continued):

a) Full House Lottery (continued):

	2021	2020
Revenues	\$ 8,221,198	\$ 7,198,960
Expenditures:		
2021 draw date	1,228,283	-
2020 draw date	3,740,262	1,305,670
2019 draw date	-	3,864,216
	4,968,545	5,169,886
Partner proceeds	3,189,173	2,143,196
Excess (deficiency) of revenue over expenditures and partner proceeds	\$ 63,480	\$ (114,122)
Cash from operating activities	\$ 2,155,258	\$ 608,653

* Other assets include lottery prizes that will be awarded subsequent to the draw date of June 30, 2021 (2020 - July 9, 2020).

** Lottery revenues are deferred until the draw date of June 30, 2021 (2020 - July 9, 2020).

Results of the 2020 and 2019 draws are as follows:

	2021 draw date	2020 draw date	2019 draw date
Revenues	Underway as of	\$ 8,221,198	\$ 7,198,960
Expenditures	March 2021	6,274,215	5,056,813
Excess of revenue over expenditures		\$ 1,946,983	\$ 2,142,147

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

7. 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:

	2021	2020
Assets:		
Restricted cash	\$ 558,120	\$ 347,768
Accounts receivable	24,646	19,660
	<u>\$ 582,766</u>	<u>\$ 367,428</u>
Liabilities and Net Assets:		
Accounts payable	\$ 421	\$ 10,565
Deferred revenue	253,048	120,720
	<u>253,469</u>	<u>131,285</u>
Net assets	329,297	236,143
	<u>\$ 582,766</u>	<u>\$ 367,428</u>
Revenues	\$ 3,418,318	\$ 3,048,419
Expenditures	1,015,670	941,109
Distributions	2,309,494	2,085,667
Excess of revenue over expenditures and distributions	<u>\$ 93,154</u>	<u>\$ 21,643</u>
Cash from operating activities	\$ 210,352	\$ 44,118

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

8. Other income:

	2021	2020
Proceeds on sale of other assets	\$ 924,620	\$ -
Canada Emergency Wage Subsidy ("CEWS")	397,489	-
	\$ 1,322,109	\$ -

9. Commitments and pledges:

- a) Approved funding commitments of \$23,020,938 (2020 - \$23,811,453) will be carried forward as follows:

2022	\$ 11,969,099
2023	3,233,216
2024 and thereafter	7,818,623

- b) The Foundation has received pledges of \$1,571,500 (2020 - \$1,413,964) from donors. Payment of the amounts pledged is expected by the Foundation as follows:

2022	\$ 866,000
2023	570,500
2024 and thereafter	135,000

10. 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 relates 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.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

10. Financial risks (continued):

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.

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

11. Impact of COVID-19:

The COVID-19 pandemic and the measures taken to contain the virus continue to impact the economy as a whole. In response to the pandemic, the Foundation applied for and recognized funding from the CEWS program as disclosed in note 8. The Foundation continues to support work from home arrangements and is evaluating the future of in-person events. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and financial and operating results of the Foundation is not known at this time.

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Schedule 1 - Investment Income

Year ended March 31, 2021

	Endowment funds	Externally restricted funds	Unrestricted funds	2021 Total	2020 Total
Dividends	\$ 30,624	\$ 460,776	\$ 1,022,259	\$ 1,513,659	\$ 3,247,765
Interest	1,483	22,311	49,495	73,289	92,537
Realized gains	46,132	694,107	1,539,917	2,280,156	322,438
Realized investment income	78,239	1,177,194	2,611,671	3,867,104	3,662,740
Unrealized gain (loss)	-	-	5,894,619	5,894,619	(6,122,218)
	\$ 78,239	\$ 1,177,194	\$ 8,506,290	\$ 9,761,723	\$ (2,459,478)

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Schedule 2 - Fund Balances

Year ended March 31, 2021

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	\$ -	\$ 257,004	\$ -	\$ -	\$ 257,004
Cardiology Innovation	114,508	-	2,241,962	392,222	-	-	2,634,184
CK Hui Cardiology	-	115,504	-	1,883,423	-	-	1,883,423
The Hui Family Endowment for Cardiology Research and Innovation	54,700	90,000	1,077,534	173,772	-	-	1,251,306
William K. Robbins Endowment for Research and Innovation in Cardiology	81,413	30,000	1,603,767	486,625	-	-	2,090,392
Dr. Talibi Innovation Fund	-	-	-	255,321	-	-	255,321
Total CK Hui Heart Centre / Cardiology Funds	250,621	284,371	4,923,263	3,448,367	-	-	8,371,630
General Purpose							
Administration	-	13,534	-	-	-	-	-
Full House Lottery	-	-	-	(1,209,717)	-	-	(1,209,717)
Gifts in Kind	-	-	-	21,687	-	-	21,687
Steve Ozipko Priority Equipment	22,474	12,500	-	454,160	-	-	454,160
Priority Equipment	-	27,908	-	-	-	16,993	16,993
Priority Needs/General Fund	-	14,140	-	-	-	566,399	566,399
Program Delivery	-	205,407	-	-	-	-	-
RAH Art Fund	-	9,056	-	-	-	-	-
RAH Foundation Fund	8,506,290	-	-	-	2,641,044	-	2,641,044
Win Win Staff Lottery	-	2,309,494	-	310,995	-	-	310,995
Total General Purpose Funds	8,528,764	2,592,039	-	(422,875)	2,641,044	583,392	2,801,561
Lois Hole Hospital for Women/ Women's Health							
7th Operating Room LHHW	-	-	-	1,938,258	-	-	1,938,258
Alberta Women's Health Foundation	-	-	-	2,415	-	-	2,415
Allard Hereditary Breast and Ovarian Cancer Clinic	-	-	-	571,781	-	-	571,781
Cavarzan Chair in Mature Women's Health Research	164,026	150,000	3,228,898	535,611	-	-	3,764,509
Cecilia Johnstone Endowment for Research and Innovation in the Treatment Cervical Cancer	19,848	-	391,944	72,379	-	-	464,323
daVinci Robotic Surgery Campaign	-	-	-	108,312	-	-	108,312
Dawn and Cam Allard Endowment Fund for Education and Innovation in Urogynecology, Lois Hole Hospital for Women	4,086	-	80,000	64,742	-	-	144,742
Dept. of Obstetrics and Gynecology Residency Program Donation Fund	-	-	-	52,280	-	-	52,280
Edmonton Elks Women's Ovarian Cancer Research	39,096	-	771,076	59,132	-	-	830,208
Harvest Celebration Lois Hole Hospital for Women	-	29,559	-	-	-	-	-
Healing Garden Tea Party	-	3,459	-	-	-	-	-
Lois Hole Hospital for Women Mental Health	-	100,000	-	793,557	-	-	793,557
Lois Hole Hospital for Women	146,082	1,020,614	2,860,154	109,731	-	-	2,969,885
Lois Hole Hospital for Women Bereavement	-	14,744	-	40,366	-	-	40,366
Lois Hole Hospital for Women Advanced Minimally Invasive Surgery	-	-	-	721,941	-	-	721,941
Lois Hole Hospital for Women Perinatal Interface Camera	-	-	-	929,889	-	-	929,889
Lois Hole Hospital Women's Society	-	9,190	-	64,439	-	-	64,439
Mary Jo Robbins Endowment for Research and Innovation in Women's Health	54,269	-	1,069,041	329,210	-	-	1,398,251
Pregnancy Pathways	-	-	-	152,776	-	-	152,776
Sawin and Baldwin Chair in Ovarian Cancer Research	79,026	75,000	1,556,961	292,251	-	-	1,849,212
Dr. Zenon Shewciw Fund for Gynecological Oncology	7,219	-	142,211	12,823	-	-	155,034
Terry Horwitz Fund	-	-	-	53,339	-	-	53,339
Total Lois Hole Hospital for Women / Women's Health Funds	513,652	1,402,566	10,100,285	6,905,232	-	-	17,005,517

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Schedule 2 - Fund Balances (continued)

Year ended March 31, 2021

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	-	32,500	-	177,134	-	-	177,134
Prostate Health Research and Innovation Fund	55,461	-	1,092,536	571,551	-	-	1,664,087
Prostate Health External Restricted	-	56,600	-	1,313,585	-	-	1,313,585
Urology	-	203,835	-	(21,343)	-	-	(21,343)
Total Men's Health Funds	55,461	292,935	1,092,536	2,040,927	-	-	3,133,463
NICU							
Neonatal Education	-	-	-	7,335	-	-	7,335
NICU Donations	-	1,000	-	135,220	-	-	135,220
Total NICU Funds	-	1,000	-	142,555	-	-	142,555
Ophthalmology							
Dept. of Ophthalmology and Visual Sciences Enhancement Fund	-	50,000	-	69,984	-	-	69,984
Eye Institute of Alberta	-	77,774	-	1,186,820	-	-	1,186,820
Lions Eye Research Endowment	17,803	-	350,017	143,706	-	-	493,723
George and Dorothy O'Neill Eye Research	8,723	-	170,791	37,244	-	-	208,035
Ophthalmology Research Endowment	168,071	160,000	3,317,952	459,901	-	-	3,777,853
Ophthalmology Equipment	-	152,567	-	279,079	-	-	279,079
Ophthalmic Surgical Skills Centre	-	76,050	-	153,778	-	-	153,778
Total Ophthalmology Funds	194,597	516,391	3,838,760	2,330,512	-	-	6,169,272
Orthopedics							
Peter and Mary Prokopiw Endowment	6,371	-	708,265	-	-	-	708,265
Orthopedics	-	19,284	-	258,207	-	-	258,207
Orthopedics Research and Innovation	54,902	-	1,074,924	623,478	-	-	1,698,402
Total Orthopedics Funds	61,273	19,284	1,783,189	881,685	-	-	2,664,874
Research and Education							
Cancer Research and Innovation	-	57,640	-	231,797	-	-	231,797
Critical Care - Education	-	-	-	22,694	-	-	22,694
Dr. K. Macala's Research Fund	-	-	-	19,634	-	-	19,634
Grants Fund	-	-	-	16,594	-	-	16,594
Mary Anne Komaran Symposium Endowment	12,769	-	250,000	69,580	-	-	319,580
Mary Anne Komaran Professional Development	8,632	-	-	177,632	-	-	177,632
Mary Anne Komaran Social Work Grants Endowment Fund	15,323	-	300,000	88,729	-	-	388,729
Harold and Florence Mosley Nursing Education and Research	1,749	-	-	35,993	-	-	35,993
RAH Medical Staff Society Legacy Fund	-	310	-	268,610	-	-	268,610
Research and Innovation	-	28,800	-	-	-	19,271	19,271
Respiratory Education	-	-	-	6,463	-	-	6,463
Speaking of Health	-	13,319	-	-	-	73,422	73,422
William Arnold Diagnostic Imaging Education Fund Endowment	1,277	-	25,000	5,189	-	-	30,189
Total Research and Education Funds	39,750	100,069	575,000	942,915	-	92,693	1,610,608

ROYAL ALEXANDRA HOSPITAL FOUNDATION

Schedule 2 - Fund Balances (continued)

Year ended March 31, 2021

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	-	109,468	-	92,499	-	-	92,499
Al Blumer Memorial Fund	142	1,700	-	1,990	-	-	1,990
COVID-19 Support	-	268,863	-	-	-	126,592	126,592
Diabetes Donation Fund	-	-	-	16,000	-	-	16,000
Edmonton Zone Colorectal Fund	1,815	4,375	-	33,337	-	-	33,337
Dr. C.A. and Lola Berner Endowment Fund for Excellence in Patient Care	1,544	-	31,230	15,978	-	-	47,208
Dr. James Chin Anesthesiology and Surgery Fund	-	-	-	23,809	-	-	23,809
Chint Kaur Lali, Boota Singh Lali and Family Endowment Fund	6,199	-	127,652	-	-	-	127,652
Cable Family Compassionate Support Endowment Fund IV	60,513	10,000	895,853	127,742	-	-	1,023,595
Children's Mental Health	-	-	-	2,716	-	-	2,716
Department of Medicine General	-	20,000	-	538	-	-	538
Emergency Department	-	5,000	-	26,004	-	-	26,004
Catherine Folinsbee Fund for Pediatric Care	563	-	11,100	1,001	-	-	12,101
Fund for the Advancement of Obesity Care	-	-	-	(284)	-	-	(284)
Agnes Moffatt Fraser Patient Comfort Fund	3,093	-	-	63,656	-	-	63,656
Geriatric / Acute Care - Elderly Unit	-	-	-	500	-	-	500
Graduates' Fund of RAH School of Nursing Alumnae	-	-	-	29,546	-	-	29,546
Holmes Endowment	1,532	-	30,000	3,123	-	-	33,123
Chris Hruday Endowed Fund - In Memory of William Hruday	2,554	10,000	50,000	13,705	-	-	63,705
Intensive Care Unit	-	-	-	18,162	-	-	18,162
Inner City Health and Wellness	-	67,236	-	437,042	-	-	437,042
Indigenous Global Health	-	50,000	-	300,000	-	-	300,000
Mary Anne Komaran Compassionate Care Fund Endowment	36,782	7,678	720,160	123,194	-	-	843,354
Dr. Larry Olhauser Fund	-	-	-	500	-	-	500
RAH Gastroenterology Fund	-	-	-	28,258	-	-	28,258
Patient and Provider Experience Fund	-	181,365	-	582,954	-	-	582,954
Palliative Care	-	-	-	31,177	-	-	31,177
PET CT Diagnostic Imaging	-	2,880,284	-	857,839	-	-	857,839
Robbins Learning Centre	2,360	-	-	-	-	-	-
Dr. Elizabeth Schwab Fund	508	-	-	10,446	-	-	10,446
Surgery Donation	-	19,736	-	23,096	-	-	23,096
Surgical Oncology Fund	-	5,000	-	5,691	-	-	5,691
Total Special Purpose Funds	117,605	3,640,705	1,865,995	2,870,219	-	126,592	4,862,806
TOTAL	\$ 9,761,723	\$ 8,849,360	\$ 24,179,028	\$ 19,139,537	\$ 2,641,044	\$ 802,677	\$ 46,762,286