

Financial Statements of

**ROYAL ALEXANDRA  
HOSPITAL FOUNDATION**

Year ended March 31, 2025

# Independent Auditor's Report

To the Members of  
Royal Alexandra Hospital Foundation

## Opinion

We have audited the financial statements of Royal Alexandra Hospital Foundation ("the Foundation"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Royal Alexandra Hospital Foundation as at March 31, 2025, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Matter

The financial statements for the year ended March 31, 2024, were audited by another auditor who expressed an unmodified opinion on those financial statements on June 23, 2024.

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

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

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

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

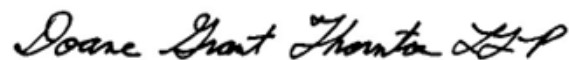
### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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.
- Plan and perform the group audit to obtain sufficient appropriate evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.



Edmonton, Canada  
June 23, 2025

Chartered Professional Accountants

# ROYAL ALEXANDRA HOSPITAL FOUNDATION

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# ROYAL ALEXANDRA HOSPITAL FOUNDATION

## Statement of Financial Position

As at March 31, 2025

	2025	2024
<b>Assets</b>		
Current assets:		
Cash	\$ 1,595,224	\$ 2,217,747
Restricted cash and cash equivalents (note 3)	11,558,832	10,848,274
Accounts receivable	1,381,339	1,352,034
Prepaid expenses and deposits	1,128,881	348,532
	15,664,276	14,766,587
Investments (note 4)	46,388,190	41,825,962
	\$ 62,052,466	\$ 56,592,549

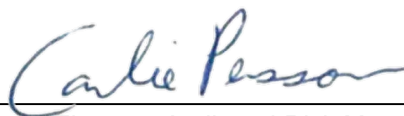
## Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$ 2,681,888	\$ 5,568,533
Deferred revenue (note 5)	4,465,975	4,732,819
	7,147,863	10,301,352
Fund balances:		
Endowment	28,559,291	27,300,529
Externally restricted	29,843,233	21,092,337
Internally restricted	1,417,056	1,417,056
Unrestricted (deficit)	(4,914,977)	(3,518,725)
	54,904,603	46,291,197
Commitments (note 8)		
	\$ 62,052,466	\$ 56,592,549

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

## Statements of Operations and Changes in Fund Balances

Year ended March 31, 2025, with comparative information for 2024

	Unrestricted funds (deficit)	Externally restricted funds	Internally restricted fund	Endowment funds	2025 Total	2024 Total
Revenues:						
Charitable gaming (note 5)	\$ -	\$ 12,057,622	\$ -	\$ -	\$ 12,057,622	\$ 10,836,495
Fundraising (note 10)	2,832,846	4,193,170	-	1,205,951	8,231,967	7,702,764
Grants	-	6,756,458	-	-	6,756,458	1,566,646
Realized investment income (note 6)	1,764,939	1,653,689	-	67,502	3,486,130	2,222,736
Other amounts	65,704	21,800	-	-	87,504	414,317
	4,663,489	24,682,739	-	1,273,453	30,619,681	22,742,958
Expenditures:						
Charitable gaming (note 5)	320,897	7,413,929	-	-	7,734,826	7,722,952
Fundraising (note 10)	4,373,296	222,955	-	-	4,596,251	3,764,553
Administrative	2,317,558	-	-	-	2,317,558	1,265,354
	7,011,751	7,636,884	-	-	14,648,635	12,752,859
Excess (deficiency) of revenue over expenditures before the undernoted	(2,348,262)	17,045,855	-	1,273,453	15,971,046	9,990,099
Unrealized investment gain (note 6)	1,255,687	-	-	-	1,255,687	2,480,936
Distributions (note 7)	(124,977)	(8,488,350)	-	-	(8,613,327)	(9,768,105)
Excess (deficiency) of revenue over expenditures	(1,217,552)	8,557,505	-	1,273,453	8,613,406	2,702,930
Transfers	(178,700)	193,391	-	(14,691)	-	-
Fund balances, beginning of year	(3,518,725)	21,092,337	1,417,056	27,300,529	46,291,197	43,588,267
Fund balances, end of year	\$ (4,914,977)	\$ 29,843,233	\$ 1,417,056	\$ 28,559,291	\$ 54,904,603	\$ 46,291,197

See accompanying notes to financial statements.

# ROYAL ALEXANDRA HOSPITAL FOUNDATION

## Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 8,613,406	\$ 2,702,930
Items not involving cash:		
Realized gains on portfolio investments	(617,804)	(707,478)
Unrealized gains on portfolio investments	(1,255,687)	(2,480,936)
In-kind revenue for stock donation	(651,062)	(1,120,293)
Gain on sale of land	-	(130,500)
Change in non-cash operating working capital:		
Accounts receivable	(29,305)	(483,701)
Prepaid expenses and deposits	(780,349)	1,741,103
Accounts payable and accrued liabilities	(2,886,645)	(1,142,907)
Deferred revenue	(266,844)	1,217,987
	2,125,710	(403,795)
Investments:		
Proceeds from disposal of land	-	145,000
Purchase of investments, net	(2,037,675)	(302,111)
	(2,037,675)	(157,111)
Increase (decrease) in cash position	88,035	(560,906)
Cash, beginning of year	13,066,021	13,626,927
Cash, end of year	\$ 13,154,056	\$ 13,066,021
Cash consists of:		
Unrestricted	\$ 1,595,224	\$ 2,217,747
Restricted (note 3)	11,558,832	10,848,274
	\$ 13,154,056	\$ 13,066,021

See accompanying notes to financial statements.

# ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements  
Year ended March 31, 2025

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## 1. Nature of the organization

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.

## 2. 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 fund - consists of donations and investment income for which the principal is permanently restricted by externally imposed stipulations specifying that the resources contributed be maintained permanently.

Externally restricted fund – This fund consists of amounts upon which restrictions have been imposed by external parties. Investment income earned on externally restricted or endowed contributions and a portion of the related investment, management and administration fees are recorded in the restricted fund to which the donor has also restricted its use is also recorded in the fund. Under provincial regulations associated with its lottery licenses, the Foundation is permitted to operate charitable lotteries, which restricts which expenditures it may consider lottery expenditures; the regulations restrict the use of the net gaming revenue to be used for specific charitable purposes. These gaming revenues and related expenditures are also recognized in this fund.

Internally restricted fund - consists of funds upon which restrictions have been imposed by the Board of Directors (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.



# ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

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## 2. Significant accounting policies (continued):

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

### (b) Full House Lottery and Win Win Staff Lottery:

The Foundation accounts for its interest in the Full House and the Win Win Staff Lotteries using the proportionate consolidation method. The Foundation partners with other charities in the operation of these lotteries. Therefore, the Foundation proportionately consolidates the assets, liabilities, and profit and loss of these lotteries.

### (c) Cash and cash equivalents and restricted cash

Cash includes deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less as cash. Restricted cash is subject to internal restrictions placed by the Board and external restrictions related grant to funding agreements, Alberta Gaming, Liquor and Cannabis ("AGLC") gaming restrictions and the lottery activities.

### (d) Financial instruments:

Investments consist of equity instruments quoted in an active market as well as investments in pooled funds and any investments in fixed income securities and equities not quoted in an active market that the Foundation designates upon purchase to be measured at fair value. Alternative investments are recorded at the net asset value per unit reported by each investment fund manager, which represents fair value.

All transactions are recorded on a settlement date basis. Transaction costs are recognized in the Statement of Operations and Changes in Fund Balances in the period which they are incurred.

Other financial instruments, including cash, restricted cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are recorded at fair value and are subsequently measured at cost or amortized cost, net of any provisions for impairment.

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, 2025

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## 2. Significant accounting policies (continued):

### (e) Revenue recognition:

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

- (i) Restricted contributions, including grants and donations, 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.
- (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 if the amount to be received can be reasonably estimated and collection is reasonably assured.
- (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.
- (vi) Lottery revenue is recognized as of the date of the lottery prize draw or event as lottery revenue cannot be reasonably estimated until the date of the lottery prize draw or event.

### (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, 2025

## 2. 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. Significant estimates made in these financial statements include allowances for doubtful accounts, determination of fair value for in-kind revenues and the fair value of investments. Actual results could differ from those estimates.

## 3. Restricted cash and cash equivalents:

Restricted cash is comprised of the following:

	2025	2024
Full House Lottery (note 5)	\$ 2,180,477	\$ 2,888,659
Win Win Lottery (note 5)	976,154	875,921
Split the Pot Lottery	108,637	-
Charitable gaming	3,257,720	7,083,694
Grant funding	5,035,844	-
	<u>\$ 11,558,832</u>	<u>\$ 10,848,274</u>

Restricted cash includes \$835,901 (2024 - \$2,070,356) held in a guaranteed investment certificate that bears interest at 5.25% (2024 - 6%) per annum and matures on October 23, 2025 (2024 - September 30, 2024).

# ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 4. Investments:

	2025	2024
Fixed income:		
Bond funds	\$ 4,781,012	\$ 5,053,795
Equities:		
Canadian equity funds	7,626,397	6,968,027
Global equity funds	17,332,774	14,412,004
Emerging markets funds	2,382,475	1,552,640
	27,341,646	22,932,671
Alternative investments:		
Mortgage funds	10,638,505	10,131,403
Infrastructure	3,460,782	-
	14,099,287	10,131,403
Cash held for investing purposes	119,879	3,664,458
Cash surrender value of donated life insurance policy	46,366	43,635
	\$ 46,388,190	\$ 41,825,962

# ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 5. Charitable gaming:

	2025	2024
Revenues:		
Full House Lottery	\$ 4,494,405	\$ 5,264,910
Win Win Staff Lottery	6,119,584	5,299,799
Split the Pot Lottery	1,123,654	-
Casino and other	93,759	-
Charitable gaming interest revenue	226,220	271,786
	12,057,622	10,836,495
Expenditures:		
Full House Lottery	3,913,334	5,191,837
Win Win Staff Lottery	2,381,320	2,049,461
Split the Pot Lottery	1,119,267	-
Charitable gaming administrative expenditures	320,897	481,654
	7,734,818	7,722,952
Distributions:		
Distributions to other charitable organizations (Note 7)	3,814,455	3,260,381
Excess (deficiency) of revenues over expenditures and distributions	\$ 508,349	\$ (146,838)

# ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 5. Charitable gaming (continued):

### a) Full House Lottery:

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

	2025	2024
Assets:		
Restricted cash	\$ 2,180,477	\$ 2,888,659
Accounts receivable	21,262	37,764
Prepaid expenses and deposits*	949,545	200,550
	<u>\$ 3,151,284</u>	<u>\$ 3,126,973</u>
Liabilities and Net Deficiency:		
Accounts payable and accrued liabilities	\$ 447,007	\$ 888,835
Deferred revenue **	3,770,212	4,037,319
	<u>4,217,219</u>	<u>4,926,154</u>
Net deficiency	(1,065,935)	(1,799,181)
	<u>\$ 3,151,284</u>	<u>\$ 3,126,973</u>

# ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 5. Charitable gaming (continued):

### a) Full House Lottery (continued):

	2025	2024
Revenues	\$ 4,494,405	\$ 5,264,910
Expenditures	3,913,334	5,191,837
Partner proceeds	54,592	349,227
Excess (deficiency) of revenues over expenditures and distributions	\$ 526,479	\$ (276,154)
Cash from operating activities	\$ 2,134,428	\$ 73,073

\* Prepaid expenses and deposits include purchased lottery prizes that will be awarded subsequent to the draw date of April 30, 2025 (2024 - May 9, 2024).

\*\* Lottery revenues are deferred until the draw date of April 30, 2025 (2024 - May 9, 2024).

# ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 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:

	2025	2024
Assets:		
Restricted cash	\$ 976,154	\$ 875,921
Accounts receivable	8,687	9,188
Prepaid expenses and deposits	43,024	33,312
	\$ 1,027,865	\$ 918,421
Liabilities and Net Assets:		
Accounts payable and accrued liabilities	\$ 96,422	\$ 20,711
Deferred revenue	695,814	690,746
	792,236	711,457
Net assets	235,629	206,964
	\$ 1,027,865	\$ 918,421
	2025	2024
Revenues	\$ 6,119,584	\$ 5,299,799
Expenditures	2,381,745	2,049,461
Distributions	3,690,964	3,260,381
Excess (deficiency) of revenues over expenditures and distributions	\$ 46,875	\$ (10,043)
Cash from operating activities	\$ 100,233	\$ 202,449



# ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 6. Investment income:

	Endowment funds	Externally restricted funds	Unrestricted funds	2025 Total	2024 Total
Realized:					
Dividends and other	\$ 56,494	\$ 1,384,016	\$ 1,476,980	\$ 2,917,490	\$ 1,454,944
Interest	2,365	57,927	61,818	122,110	60,314
Realized gains	8,643	211,746	226,141	446,530	707,478
	67,502	1,653,689	1,764,939	3,486,130	2,222,736
Unrealized:					
Investment gain	-	-	1,255,687	1,255,687	2,480,936
	\$ 67,502	\$ 1,653,689	\$ 3,020,626	\$ 4,741,817	\$ 4,703,672

## 7. Distributions:

During the year, the Foundation made the following distributions:

	2025	2024
Alberta Health Services	\$ 1,268,134	\$ 2,155,044
University of Alberta	2,297,464	2,273,072
Other charitable organizations*	5,047,729	5,339,989
Balance, end of year	\$ 8,613,327	\$ 9,768,105

\*Included within distributions to other charitable organizations are \$3,814,455 (2024 - \$3,260,381) to the other foundations that participate in the Win Win Staff Lottery and \$123,491 (2024 -\$nil) to other foundations that participate in the Split the Pot Lottery.

# ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

## 8. Commitments:

### Funding commitments

Approved funding commitments of \$23,411,295 (2024 - \$18,285,814) will be carried forward as follows:

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2026	\$	10,838,295
2027		7,523,000
Thereafter		5,050,000

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### Pledges receivable

The Foundation has received pledges of \$7,138,008 (2024 - \$13,895,736) from donors which have not been recognized as revenue at March 31, 2025. Revenue will be recognized once collection is reasonable assured. The amounts pledged are expected by the Foundation as follows:

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2026	\$	5,477,000
2027		510,000
Thereafter		1,151,008

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Included in 2026 pledge receivable is \$5,000,000 of funding approved under a government grant to fund a multi-year grant agreement.

## 9. Related party transactions:

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.

The Women's Health Collective Canada (WHCC) is incorporated as a not-for-profit organization and is a registered charity under the Income Tax Act. The mission of WHCC is to build an equitable and inclusive future for women's healthcare and research. As at March 31, 2025, the Foundation's management maintains a position on the Board of Directors of WHCC, however does not exercise control over the WHCC.

# ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

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## 9. Related party transactions (continued):

At March 31, 2025 accounts payable and accrued liabilities includes \$2,094,951 (2024 – \$nil) to Alberta Health Services for certain salaries and services paid by AHS on the Foundation's behalf as well as distributions payable.

As at March 31, 2025, included in cash and accounts payable and accrued liabilities is \$400,000 (2024 - \$400,000) of grants funds received on behalf of WHCC. As a result, the entirety of these funds are restricted for the use of WHCC.

For the year ending March 31, 2025, the Foundation provided reimbursements to AHS for salaries and benefits of \$4,744,584 (2024 - \$3,757,049).

During the year, the Foundation made distributions of \$1,268,134 (2024 - \$2,155,044) to AHS on behalf of the Hospital (note 8).

## 10. Fundraising:

As required under Section 7(2) of the Charitable Fundraising Act Regulation of Alberta, the Foundation discloses the expenses incurred for the purpose of soliciting contributions, which were \$4,596,157 (2024 - \$3,764,553). This amount includes total remuneration paid to employees of the Foundation whose principal duties involve fundraising of \$3,196,195 (2024 - \$2,649,708).

During the year, the Foundation received a donation of marketable securities with a fair value of \$651,061 (2024 - \$1,120,293) which has been recorded within fundraising revenue.

No single disposition of contributions equal to or exceed 10% of the gross contributions received in the year (2024 - \$nil).

## 11. Employee benefits:

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 8.45% (2024 – 8.45%) of eligible pensionable earnings up to the year's maximum pension earnings and 11.65% (2024 – 11.65%) on pensionable earnings above this amount. Employees of the Foundation are required to make current service contributions of 7.45% (2024 – 7.45%) of pensionable salary up to the year's maximum pensionable salary and 10.65% (2024 -- 10.65%) in pensionable salary above this amount. Contributions for current service are recorded as expenses in the year in which they become due.

# ROYAL ALEXANDRA HOSPITAL FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2025

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## 11. Employee benefits (continued):

Total contributions by the Foundation to LAPP in 2025 were \$291,855 (2024 - \$211,775). Total contributions by the employees of the Foundation to LAPP in 2025 were \$260,410 (2024 - 236,539). As at December 31, 2023 LAPP disclosed an actuarial surplus of approximately \$15.06 billion (2022 -\$12.67 billion). The actuarial surplus at December 31, 2024 was not available at the time the financial statements were finalized.

## 12. Financial instrument risks:

Operational 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 price risk. Interest rate risk relates to the possibility that investments will change in value due to fluctuations in interest rates or cash flows will be impacted by changes in interest rates. Market and foreign exchange risk relate to the possibility that investments and financial instruments will change in value due to future fluctuations in market prices and foreign exchanges 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 fixed income investments (note 4) resulting in a favourable or unfavourable variance compared to book value. Credit risk is mitigated by investing in diversified portfolios of debt instruments of both government and corporate issuers. Interest rate risk is mitigated by managing maturity dates and payment frequency.

The equity investments held by the Foundation (note 4) expose the Foundation to market price risk.

The Foundation limits credit risk associated with other financial assets, including accounts receivable, by dealing with counterparties that it believes are creditworthy.

There have been no significant changes in these risks during the year.

## 13. Comparative figures:

Comparative figures have been adjusted to conform to changes in the current year presentation.