



FINANCIAL STATEMENTS

March 31, 2020

Queen Elizabeth II Health Sciences Centre Foundation

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Independent auditor's report

To the members of the Board of Directors of the
Queen Elizabeth II Health Sciences Centre Foundation

Opinion

We have audited the financial statements of the Queen Elizabeth II Health Sciences Centre Foundation (the "Foundation"), which comprise the balance sheet as at March 31, 2020, and the statements of revenue, expenses 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 the Queen Elizabeth II Health Sciences Centre Foundation as at March 31, 2020, 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.

Emphasis of Matter- restated Comparative Information

We draw attention to note 3 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2019 has been restated as a result of retrospective application of a change in accounting policy. Our opinion is not modified in respect of this matter.

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.

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Auditor's responsibilities for the audit of the financial statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

Halifax, Canada
July 20, 2020

Chartered Professional Accountants

Queen Elizabeth II Health Sciences Centre Foundation

Statements of revenue, expenses and fund balances

Years ended March 31

	Undesignated fund	Designated fund	Endowment fund	2020	RESTATED 2019 (Note 3)
Fundraising Programs Revenue					
Annual Programs	528,690	1,253,077	112,119	1,893,886	2,674,760
Planned Giving	464,470	198,153	403,364	1,065,987	886,408
Major Gifts	6,657	5,135,734	2,077,552	7,219,943	6,948,662
Special Events (note 6)	-	1,551,513	-	1,551,513	1,084,548
Total Fundraising Programs Revenue	999,817	8,138,477	2,593,035	11,731,329	11,594,378
Fundraising Programs Costs	3,463,649	512,553	-	3,976,202	2,932,215
Net Fundraising	(2,463,832)	7,625,924	2,593,035	7,755,127	8,662,163
Gaming Income, net (note 7)	6,486,523	-	-	6,486,523	6,503,682
Investments Income (Loss), net (note 8)	(58,129)	-	(2,042,304)	(2,100,433)	2,383,388
General and Administrative Expenses	2,238,969	-	-	2,238,969	2,974,588
Excess of revenue over expenses	1,725,593	7,625,924	550,731	9,902,248	14,574,645
Fund balances, beginning of year	6,279,528	26,487,446	37,153,963	69,920,937	63,968,379
Excess of revenue over expenses	1,725,593	7,625,924	550,731	9,902,248	14,574,645
Re-measurement of employee benefits	(63,380)			(63,380)	-
Grants and Charitable Activity	(333,390)	(9,112,993)	(838,322)	(10,284,705)	(8,622,087)
Interfund transfers	(360,535)	19,880	340,655	-	-
Fund balances, end of year	7,247,816	25,020,257	37,207,027	69,475,100	69,920,937

See accompanying notes to the financial statements.

Queen Elizabeth II Health Sciences Centre Foundation

Balance Sheet

Years ended March 31 Restated
2020 2019 (Note 3)

	Undesignated fund	Designated fund	Endowment fund	Total	Total
Assets					
Current					
Cash	\$ 4,831,331	\$ 5,589,764	-	\$ 10,421,095	\$ 10,499,597
Cash held for lottery	4,081,318	-	-	4,081,318	3,296,661
Receivables and other	448,283	372,251	4,944	825,478	790,745
Prepays	366,797	35,646	-	402,443	369,977
	<u>9,727,729</u>	<u>5,997,661</u>	<u>4,944</u>	<u>15,730,334</u>	<u>14,956,980</u>
Investments, at fair value (note 4)	2,500,000	19,717,290	37,251,436	59,468,726	59,913,300
Capital assets (note 5)	469,846	-	-	469,846	535,676
	<u>\$ 12,697,575</u>	<u>\$ 25,714,951</u>	<u>\$ 37,256,380</u>	<u>\$ 75,668,906</u>	<u>\$ 75,405,956</u>

Liabilities and fund balances

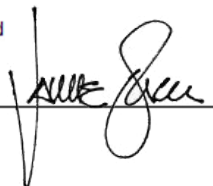
Liabilities

Current

Unearned revenue	\$ 3,211,975	62,528	-	\$ 3,274,503	\$ 3,311,189
Payables and accruals	1,403,014	632,166	49,353	2,084,533	1,444,475
Payable to Queen Elizabeth II Health Sciences Centre (note 12)	-	-	-	-	26,251
	<u>4,614,989</u>	<u>694,694</u>	<u>49,353</u>	<u>5,359,036</u>	<u>4,781,915</u>
Employee pension plan benefits (note 11)	834,770	-	-	834,770	703,104
Fund balances	7,247,816	25,020,257	37,207,027	69,475,100	69,920,937
	<u>\$ 12,697,575</u>	<u>\$ 25,714,951</u>	<u>\$ 37,256,380</u>	<u>\$ 75,668,906</u>	<u>\$ 75,405,956</u>

Commitments (note 12)

On behalf of the Board



Trustee



Trustee

See accompanying notes to the financial statements.

Queen Elizabeth II Health Sciences Centre Foundation

Statement of cash flows

		Restated
Years ended March 31	2020	2019 (Note 3)
Increase (decrease) in cash		
Operating		
Excess of revenue over expenses	\$ 9,902,248	\$ 14,574,645
Fund disbursements	(10,284,705)	(8,622,087)
Amortization	116,409	79,793
Loss on disposal of capital assets	-	15,853
Realized income and gains on investments	(1,887,217)	(2,382,795)
Unrealized change in market value of investments	4,107,594	82,543
	<u>1,954,329</u>	<u>3,747,952</u>
Changes in non-cash working capital		
Accounts receivable	(34,733)	118,765
Prepays	(32,466)	(242,778)
Unearned revenue	(36,686)	(10,013)
Payables and accruals	640,058	(2,494,151)
Payable to Queen Elizabeth II Health Sciences Centre	(26,251)	(284,467)
Employee Future Benefits	68,286	64,400
Subtotal	<u>578,208</u>	<u>(2,848,244)</u>
	<u>2,532,537</u>	<u>899,708</u>
Investing		
Net (additions) withdrawals to investments	(1,775,803)	(7,031,303)
Investment in capital assets	(50,579)	(264,655)
Net change in cash held for lottery	(784,657)	3,187,526
	<u>(2,611,039)</u>	<u>(4,108,432)</u>
Net decrease in cash	(78,502)	(3,208,724)
Cash		
Beginning of the year	<u>10,499,597</u>	<u>13,708,321</u>
End of the year	<u>\$ 10,421,095</u>	<u>\$ 10,499,597</u>

See accompanying notes to the financial statements.

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2020

1. Nature of operations

The Queen Elizabeth II Health Sciences Centre Foundation (the "Foundation") is a not-for-profit organization established to raise and receive funds to support patient care, education and research at the Queen Elizabeth II Health Sciences Centre (the "Health Centre"). The Foundation is a registered trust under the Income Tax Act and as such, is not subject to income tax.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The significant policies are detailed as follows:

Fund accounting

The Foundation follows the Restricted Fund method of accounting for donations.

The Designated Fund, representing amounts received from donors and special events, is to be used to provide grants toward expenditures for hospital programs, equipment needs and other payments as specified by the donor on the receipt of the contributions.

The Undesignated Fund represents amounts for which a specific purpose has not been identified by the donor and includes Funds which have been internally restricted by the Foundation's Board of Trustees to be used for specific purposes compatible with the objectives of the Foundation.

The Endowment Fund represents amounts received where the donor has specified that the resource contributed be permanently maintained, as well as amounts transferred as approved by the Board of Trustees to be held for endowment purposes. Investment income generated on endowments must be used in accordance with the various purposes established by the donor or the Board of Trustees. The Foundation has established an Endowment Management policy that limits the amount of income that may be expended in order to protect the purchasing power of the capital base of endowments while achieving stability in year-to-year spending.

Revenue recognition

Unrestricted donations are recognized as revenue of the Undesignated Fund when received. The gross amount of gaming revenue received for lottery ticket sales, net of any expenses incurred to date, is recorded as cash held for lottery and unearned revenue until the lottery draw occurs and the remaining expenses are paid.

Restricted donations are recognized as revenue of the Designated Fund. Donations are considered restricted when specifically restricted by the donor and when received for a specific campaign.

Contributions where the capital resource is to be maintained permanently are recognized as revenue of the Endowment Fund.

Pledges are recorded in revenue when received. Refer to Note 3 for details of change in accounting policy for pledged contributions.

Licensing fees are recognized as revenue of the undesignated fund when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donated insurance policies are recognized into income at their estimated fair value on the date ownership is transferred to the Foundation. The Foundation has recognized \$Nil (2019 - \$Nil) of donated insurance policies into income during the year.

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2020

2. Summary of significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost and amortized using the straight-line method over the estimated useful lives of the assets as follows:

Leasehold improvements	Remaining lease term
Office equipment and furniture	5 years
Computer equipment	5 years

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments that are quoted in an active market such as equities and bonds are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry investments in pooled funds at fair value with changes in fair value recognized in net income in the period in which they arise. Fair value is measured as the closing price of an investment on an active quoted market.

Investments in pooled funds with underlying investments in equities or bonds and debentures or short term deposits and cash are valued based on the latest unit values supplied by the external pooled fund investment manager. This represents the Foundation's proportionate share of underlying net assets at fair value determined using closing market prices.

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. These costs are amortized using the effective interest rate method.

The financial instruments measured at amortized cost are cash, cash held for lottery, pledges receivable, receivables and other, and payables and accruals.

For financial assets measured at cost or amortized cost, the Foundation regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Foundation determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

All undesignated and designated investment income earned is recognized as revenue of the Undesignated Fund. Endowment investment income is recognized as revenue of the Endowment Fund.

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure as at the date of the financial statements.

- i) **Credit risk**
The Foundation is exposed to credit risk in the event of non-performance by counterparties to financial instruments. The Foundation is not exposed to any significant credit risk.
- ii) **Liquidity risk**
Liquidity risk is the risk that the Foundation will not be able to pay financial liabilities as they come due. The majority of assets held by the Foundation are invested in securities that are traded in an active market and can be readily disposed of as liquidity needs arise.

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2020

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, the Foundation segregates market risk into three categories: interest rate risk, currency risk and other price risk.

Interest rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Foundation is not exposed to any significant interest rate risk.

Currency risk

The Foundation's functional currency is the Canadian dollar. Foreign currency risk arises from the Foundations investments that are denominated in a foreign currency. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in positive or negative effect on the fair value of the investments.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those occurring from interest rate risk or currency risk. Securities held for trading are carried at fair value and, as such, impact earnings as changes occur.

These risks are mitigated through the use of professional investment managers, and appropriate asset, sector and geographic allocation

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known. Items subject to significant management estimates include unfunded pension plan liabilities, life insurance policies, and fair value of investments.

Donated materials and services

Donated materials and services are recorded in the financial statements when the fair value of these items can be reasonably estimated. The Foundation has recognized \$96,655 (2019 - \$72,500) as donated materials and services during the year. Donated materials included in capital assets for the Health Centre such as equipment and furniture, as well as advertising, media coverage, and promotional items.

Cash

Cash in the bank is currently in an interest bearing account yielding interest at prime less 1.75% for closing daily balances.

Employee future benefits

The Foundation has a multi-employer defined benefit plan and registered retirement savings plan, both of which have been accounted for as defined contribution plans.

The Foundation also has a Supplemental Employee Pension Plan, for which it accrues the estimated liability payable in subsequent years according to its policy. The retirement benefit is actuarially determined using the projected benefit method prorated on service.

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2020

3. Change in accounting policy

Effective April 1, 2019, the QEII Foundation changed its accounting policy for revenue recognition to record pledges when received. In previous periods, pledged contributions were recognized when received or receivable and a provision for uncollectible amounts was recorded to reduce pledges receivable to its estimated realizable value.

The QEII Foundation concluded that it was no longer reasonably able to estimate the realizable value of pledges. The QEII Foundation also believes that the new method of recognition presents information in a manner that is more easily understood by users. The change in policy has been applied retrospectively.

Additionally, certain comparative figures for the prior year have been reclassified to conform to the financial statement presentation adopted for the current period.

Balance sheet	As previously presented	Restatement	As restated
as at March 31, 2019			
Pledges Receivable	\$ 6,747,016	(\$ 6,747,016)	-
Unearned revenue	3,317,185	(5,996)	3,311,189
Fund balances	76,661,957	(6,741,020)	69,920,937

Statement of revenue, expenses and fund balances	As previously presented	Restatement	As restated
for the year ended March 31, 2019			
Annual Programs Revenue	\$ 1,410,580	\$ 1,264,180	2,674,760
Major Gifts Revenue	9,373,105	(2,424,443)	6,948,662
Special Events	1,730,574	(646,026)	1,084,548
Fund Development	574,344	(574,344)	-
Fundraising Programs costs	2,720,856	211,359	2,932,215
General and administrative expenses	3,175,406	(200,818)	2,974,588

Statement of Cash Flow	As previously presented	Restatement	As restated
for the year ended March 31, 2019			
Excess of revenue over expenses	\$ 16,965,819	(\$ 2,391,174)	14,574,645
Pledges and Accounts receivable	2,278,411	(2,159,646)	118,765
Unearned revenue	4,011	(14,024)	(10,013)

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2020

4. Investments, at fair value

The Foundation invests in accordance with its investment policies approved by the Board of Trustees. The policies provide financial objectives, asset mix and permitted investments guidelines for each investment account type. The Foundation invests primarily in pooled funds managed by external investment managers. The nature and fair value of the underlying investment held within the pooled funds, for each investment account type, are as follows:

	2020	2019
Undesignated		
Cash and short term deposits	\$ 2,500,000	\$ 2,575,069
	<u>2,500,000</u>	<u>2,575,069</u>
Designated		
Cash and short term deposits	\$ 4,236,074	\$ 4,033,575
Bonds and debentures	\$ 10,186,921	9,924,899
Equities	\$ 5,294,295	6,096,495
	<u>19,717,290</u>	<u>20,054,969</u>
Endowment		
Cash and short term deposits	\$ 5,892,778	4,096,602
Bonds and debentures	\$ 11,675,566	11,395,505
Equities	\$ 19,683,092	21,791,155
	<u>37,251,436</u>	<u>37,283,262</u>
	<u>\$ 59,468,726</u>	<u>\$ 59,913,300</u>

Investment Manager quarterly management fees are paid in accordance with Investment Management Agreements. The quarterly fees are calculated using a decreasing sliding scale percentage (0.75% - 0.20%) based on market value. In 2019-2020, the total investment management and other professional fees paid were \$406,389 (2019 - \$372,770).

5. Capital assets

	2020		2019	
	Cost	Accumulated amortization	Net book value	Net book value
Leasehold improvements	\$ 293,811	\$ 106,779	\$ 187,032	\$ 207,463
Office equipment and furniture	260,048	174,603	85,445	96,256
Computer equipment	<u>271,216</u>	<u>73,847</u>	<u>197,369</u>	<u>231,957</u>
	<u>\$ 825,075</u>	<u>\$ 355,229</u>	<u>\$ 469,846</u>	<u>\$ 535,676</u>

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2020

6. Special events

	<u>2020</u>	<u>2019</u>
Ride for Cancer		
Gross Revenue	\$ 1,184,237	\$ 979,783
Direct Expenses	<u>331,580</u>	<u>355,790</u>
	<u>852,657</u>	<u>623,993</u>
Jordan Boyd Celebrity Hockey Challenge		
Gross Revenue	210,946	-
Direct Expenses	<u>49,164</u>	<u>-</u>
	<u>161,782</u>	<u>-</u>
Heart Heroes		
Gross Revenue	\$ 156,330	119,765
Direct Expenses	<u>121,321</u>	<u>78,255</u>
	<u>35,009</u>	<u>41,510</u>

7. Gaming

	<u>2020</u>	<u>2019</u>
Revenue		
Home Lottery	\$ 18,721,918	\$ 18,339,299
Workin' To Win	<u>148,593</u>	<u>147,515</u>
	<u>18,870,511</u>	<u>18,486,814</u>
Expenses		
Home Lottery	12,318,503	11,929,680
Workin' To Win	65,062	53,108
Gaming Administration	<u>423</u>	<u>344</u>
	<u>12,383,988</u>	<u>11,983,132</u>
Excess of revenue over expenses from gaming	<u>\$ 6,486,523</u>	<u>\$ 6,503,682</u>

8. Investments

	<u>2020</u>	<u>2019</u>
(Loss) Revenue	(\$ 1,694,044)	\$ 2,756,158
Expenses	<u>406,389</u>	<u>372,770</u>
	<u>(\$ 2,100,433)</u>	<u>\$ 2,383,388</u>

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2020

9. Fund disbursements

The following significant items were included as disbursements from the various funds.

	2020	2019
Undesignated Fund		
Translating Research Into Care (TRIC) Grants	150,000	-
Tumor Bank	64,000	64,000
Diversity Bursary	25,000	-
Surgical Robotic System	-	663,750
Comfort and Care Grants	-	116,494
Atlantic Canada Clinical Research Unit (ACCRU)	-	82,200
Canadian Cancer Society - Pancreatic Research	-	50,000
Dalhousie University - Support Research Training	-	50,000
NSHA Research Services - Dragon's Den	-	50,000
Other disbursements	94,390	157,270
	<u>333,390</u>	<u>1,233,714</u>
Designated Fund		
Robotics Surgical Systems	3,000,000	-
Cancer Therapy Preparation Lab	1,183,715	-
Chronic Disease Prevention & Management	550,571	-
Clinical Perioperative Operations	412,048	-
Leukemia and Lymphoma Society	281,409	284,496
NSHA Research Services - Research Matching Funds	246,240	150,994
Simulation Learning Centre	227,132	1,389,044
Pathology Research - PDL Testing	178,390	184,960
Heart Health Innovation Fund Grants	164,561	184,243
Pancreatic Cancer Research	144,815	-
Electrophysiology Laboratory	143,541	144,792
Cath Lab Equipment, Technology and Resource	141,006	-
Canadian Cancer Society Colorectal Cancer Awareness Campaign	113,276	-
E-Mental Health	91,523	-
Inherited Heart Disease Clinic	80,000	117,713
Urology Research Development	75,000	75,000
Atlantic Anti-Platelet Initiative	60,339	-
Neurosurgery Research	55,531	-
Carry forward balance	<u>7,149,097</u>	<u>2,531,241</u>

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2020

9. Fund disbursements (continued)

	<u>2020</u>	<u>2019</u>
Carry forward balance	<u>7,149,097</u>	<u>2,531,241</u>
Heart Function Clinic	54,421	-
Ambulatory Care Clinics	-	34,386
Hospice Halifax	-	1,000,000
Revitalizing Rehab - Assisted Living Suites	-	432,549
Mental Health (Staying Connected)	-	395,604
Retinal Neural Imaging	-	195,000
Inflammatory Bowel Disease Program	-	141,928
Clinical Preoperative Equipment	-	109,900
Multi Organ Transplant Program Fellowship	-	96,658
Skills Centre for Health Services	-	96,017
Radiation Oncology Research	-	68,000
Fountain Family Innovation	-	60,832
Other disbursements	<u>1,909,475</u>	<u>1,429,799</u>
	<u>9,112,993</u>	<u>6,591,914</u>
Endowment Fund	<u>838,322</u>	<u>796,459</u>
	<u>\$ 10,284,705</u>	<u>\$ 8,622,087</u>

10. Interfund transfers

During the year, funds were transferred between the Undesignated, Designated, and Endowment Funds as follows:

	<u>Undesignated</u>	<u>Designated</u>	<u>Endowment</u>
Comfort and Care	(\$ 250,000)	\$ 250,000	
Endowed Chair Rheumatology	(100,000)		100,000
Aditya Mishra Endowment Fund		(186,503)	186,503
Other Transfers	(10,535)	(43,617)	54,152
Total interfund transfers	<u>(\$ 360,535)</u>	<u>\$ 19,880</u>	<u>\$ 340,655</u>

Interfund transfers for the 2019-2020 fiscal year consisted of contributions from the Undesignated Fund to various campaigns in the Designated and Endowment Funds as approved by the Board of Trustees.

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2020

11. Employee pension plan benefits

The Foundation has an RRSP matching agreement with select employees employed prior to March 1, 2007. The Foundation will match an employee's RRSP contribution up to a maximum of 5% of the employee's salary.

The Foundation is a member of a multi-employer defined benefit pension plan administered by Health Association Nova Scotia ("HANS"). The most recent actuarial valuation was conducted on July 1, 2017 for the December 31, 2017 year end and indicated a funding ratio of 106.5%. Existing employees that are enrolled in the RRSP matching agreement can choose to join the Nova Scotia Health Employees' Pension Plan ("NSHEPP") or stay with the original Plan. New employees, after March 1, 2007, must join the NSHEPP.

During 2002, the Foundation established an unfunded Supplemental Pension Plan arrangement also administered by HANS, covering certain of its senior management employees. The benefits are based on years of service and final average salary. The most recent actuarial valuation for funding purposes on this plan was conducted on April 13, 2017 for the March 31, 2019 year end.

The total cost for these plans recognized in the current year is \$325,189 (2019 - \$299,983).

The funded status of the Supplemental Pension Plan is as follows:

	2020	2019
Accrued benefit obligation and liability	\$ 834,770	\$ 703,104

The Foundation has sufficient undesignated net assets to meet the current obligations of the Supplemental Pension Plan.

12. Commitments

The Foundation rents office spaces under an operating leases which expires on April 30, 2026. The minimum lease commitments relating to this for the next five years are as follows:

2021	\$ 292,913
2022	293,007
2023	293,007
2024	284,228
2025	284,228

The Foundation issues non-binding multi-year commitments to the QEII Health Sciences Centre (Nova Scotia Health Authority) to support the purchase of equipment and technology, improve patient care and support and fund research and education initiatives. The total of these commitments at March 31, 2019 is \$3,442,567 (2019 - \$1,436,305).

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2020

13. Impact of COVID-19

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The QEII Foundation saw a sharp decline in its investment portfolio returns with unrealized losses amounting to (\$5,041,243) in the last quarter of the fiscal year ended March 31, 2020. The Foundation responded to public health guidelines and closed its office location on March 13, 2020 and instituted a cost mitigation plan ratified by its Board on May 20, 2020. This plan did not have a material impact to the Foundation's operations. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Foundation for future periods.

ABOUT US

We're in the business of saving lives.

With financial support from all levels of the community, the QEII Foundation helps fund new technologies, medical research, innovation and professional education that contribute to life-changing moments experienced every day by patients and their loved ones at the QEII.

Inspired by the drive and passion of QEII healthcare teams, the QEII Foundation staff and Board of Trustees continue to give – in addition to their work to advance care – with 100 per cent staff giving participation. By working together with people who share a vision of better health, the Foundation strengthens care delivered at the QEII, improving the health and lives of Atlantic Canadians.